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Algeria	4.00	Den.	115	Mark	Overseas	0.900	Red
Austria	27	Sch.	185	220	Paraguay	110	Esc.
Bahamas	0.200	Den.	1.700	Lat.	Costa	4.50	Col.
Belgium	49	Fr.	480	Fr.	Indon.	7.0	P.
Canada	1.1	50	500	Fr.	Spain	125	P.
Ceylon	0.5	0.70	500	Fr.	Switzerland	2.20	5.0
Denmark	9.00	D.M.	1.00	0.40	Sweden	7.50	S.F.
Egypt	2.2	2.00	1.00	0.40	Switzerland	2.20	5.0
France	2.50	P.M.	1.00	0.40	Taiwan	0.70	0.0
Germany	2.60	D.M.	1.00	0.40	U.A.E.	7.00	Dh.
Greece	23.0	Dr.	1.00	0.40	U.S.	1.00	0.0
India	1.00	0.00	0.00	0.00	Yugoslavia	5.00	D.

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LATE NEWS

Norway Budget Clears Hurdle

OSLO (Reuters) — The Norwegian minority Labour government survived a parliamentary vote on its revised 1987 budget Tuesday after reaching agreement with opposition parties on tax increases. Labor Party leaders said.

"We have won approval for a budget that will give us a surplus next year of four billion crowns (\$63 million) depending on oil prices," said Torstein Moland, undersecretary of state in the prime minister's office.

INSIDE TODAY



Serge Lifar, 81, a Russian-born dancer and choreographer who revolutionized French ballet, has died. Page 5.

GENERAL NEWS

- A debt relief plan on U.S. military loans to allies is reported to be ready. Page 5.
- The same Nicaraguan people's tribunal that tried Espinoza Hernandez will try Sam Hall, an accused U.S. spy. Page 3.
- ERIC CLAPTON, the English guitarist, is interviewed by Michael Zwerin. Page 7.
- King Fahd of Saudi Arabia filed the head of his state-owned oil company. Page 9.
- The U.S. trade deficit expanded by \$1.87 billion to a record \$36.28 billion in the third quarter. Page 9.

EC Agrees To Curb Surpluses

Limits on Milk And Beef Are First Targets

BRUSSELS — The European Community has agreed to curb on milk and beef surpluses in what officials described as the first major overhaul in 25 years of its costly agricultural subsidies system.

Officials said the agreement was reached by EC agriculture ministers after seven days of negotiations in which Britain sought to set the pace for a complete overhaul of farming policy before handing over the rotating EC presidency to Belgium next month.

The beef limit was agreed to after concessions were made to Ireland, which had earlier vetoed the accord affecting a sector of its economy accounting for 3.5 percent of its gross national product.

The ministers had earlier agreed to curbs on milk production.

The beef agreement would cut guaranteed prices by at least 10 percent next year and reverse one of the main tenets of the farm policy by making subsidies to farmers the exception rather than the rule, officials said.

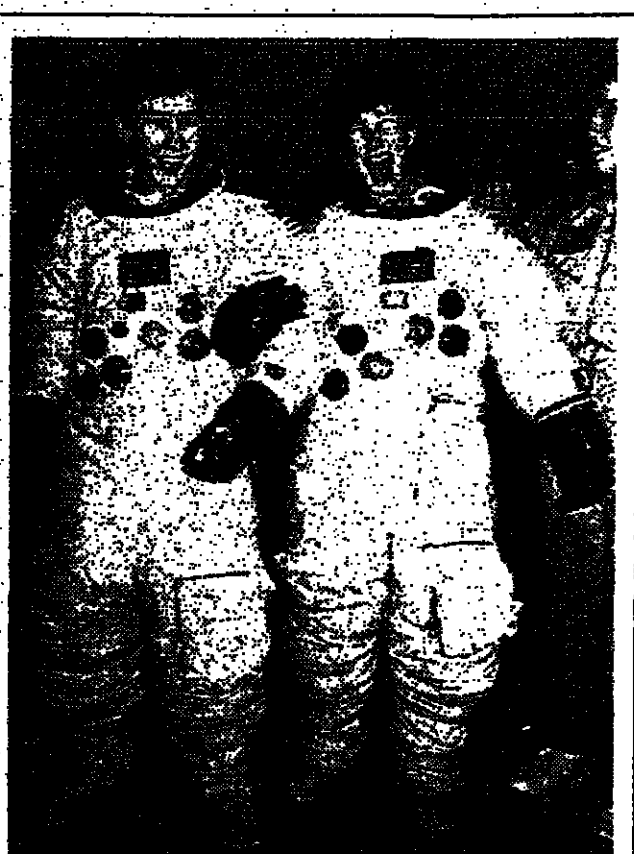
The dairy agreement should result in enormous savings by reducing the levels of public stocks of skimmed milk powder, now standing at 900,000 metric tons, and of butter at 1.34 million tons.

The agreements, which officials said were expected to cut milk production by 9.5 percent by April 1989 and to reduce by half an estimated overproduction of beef of 600,000 tons in 1987, represent the biggest changes ever made in the EC's Common Agricultural Policy.

The policy was created in January 1962 to bolster European farming after the ravages of World War II and was designed to secure Europe's food supplies.

It has developed into an unwieldy system that has produced enormous surpluses of wine, grain, beef and milk that are either stored at huge cost or exported at subsidized prices amid accusations of unfair competition from the EC's trading partners.

Britain had set the change in the policy, which swallows two-thirds of the EC budget, as a priority during its six months in the EC's



Cosmonauts Have a High Time

Two Soviet cosmonauts, Alexander Konkov, left, and Yuliy Grishina, trying on Apollo-era spacesuits at the Alabama Space and Rocket Center at Huntsville, Alabama. Ten cosmonauts, in an exchange program, are touring U.S. space installations.

Soviet Reassures Hanoi Over Ties With Beijing

SINGAPORE — The Soviet Union, in a top-level policy declaration at the Vietnamese Communist Party Congress, has declared that it will not seek political accommodation with China at the expense of its alliance with Vietnam.

Yegor K. Ligachev, widely regarded as the second most powerful figure in the Soviet leadership, said Moscow wanted to develop relations with China "on a principled basis, without damage to the interests of other countries."

He spoke Monday at the opening session of the sixth congress of the Vietnamese Communist Party in Hanoi.

Diplomats said Tuesday that his comments appeared to be a definitive answer to China, the United States and non-Communist countries in Southeast Asia, which have been urging the Soviet Union to use its influence to persuade Vietnam to withdraw from Cambodia.

They said the Soviet stand would be viewed by Beijing as a serious rebuff.

The Chinese leaders have insisted that political and ideological relations with the Soviet Union, ruptured in the early 1960s, could be repaired only if the Kremlin ended its backing for Vietnam's occupation of Cambodia.

They have said that a precondition for normalization of relations with Vietnam is Hanoi's withdrawal of forces from Cambodia.

China and Vietnam fought a brief but bloody border war in February and March of 1979 after Vietnamese troops played a major role in overthrowing the Khmer Rouge regime of Pol Pot, which had received extensive aid from Beijing.

Trong Chinh, the leader of the Vietnamese Communist Party, said Monday in a speech relayed by the state radio that Hanoi was "ready to negotiate with China anytime, at any level and anywhere."

But he said there could only be a negotiated settlement of the Cambodian conflict if the "Pol Pot clique" was eliminated.

The Khmer Rouge and two non-Communist Cambodian guerrilla groups have formed a coalition that occupies Cambodia's seat in the United Nations.

The coalition is accepted by an overwhelming majority of UN members as Cambodia's legitimate

Reagan Urges Immunity for 2

Says Ex-Aides Would Have To Testify

WASHINGTON — President Ronald Reagan called on Tuesday the Senate intelligence committee to grant limited immunity to two former White House national security aides to compel them to testify in the investigation into the secret sale of arms to Iran and diversion of profits to the Nicaraguan rebels.

Meanwhile, Mr. Reagan's chief of staff, Donald T. Regan, testified under oath that no one in the Reagan administration was ever authorized to divert money from Iran arms sales to Nicaraguan rebels.

Mr. Regan, emerging from more than four hours of testimony to the Senate intelligence committee behind closed doors, said that he had not known of the transfers of money, and said, "I do not believe the president of the United States" knew about it either.

He denied that Lieutenant Colonel Oliver L. North, dismissed recently as a National Security Council staff member, would have been given top-level authority to conduct a program of assistance to the Nicaraguan rebels, known as contras.

Attorney General Edwin Meese 3d said on Nov. 25 that only Colonel North knew precisely of that operation, but that Mr. Reagan's national security adviser, Vice Admiral John M. Poindexter, had been aware of its existence.

Mr. Regan said Tuesday that "I can tell you that Colonel North or nobody else was ever authorized to divert funds" to the contras or to "anyone else."

Shortly before Mr. Regan spoke to reporters, President Reagan appealed to the intelligence committee to move legally to obtain testimony by Colonel North and Admiral Poindexter to "get the facts out before the American people as quickly as possible to get this matter behind us," said the presidential spokesman, Larry Speakes.

Such a move, he said, would not preclude criminal prosecution for illegal activities.

But the proposal was greeted with little enthusiasm by the ranking members of the committee, Senator David F. Durenberger, a Minnesota Republican, and Senator Patrick J. Leahy, a Vermont Democrat, who rejected the idea.

"They need to come forward on their own," Mr. Durenberger said of Colonel North and Admiral Poindexter, adding:

"This Congress is not going to make a decision on an issue like immunity. The president is apparently not going to make a decision on pardon."

"So, you want the facts," he said, "talk to those two people."

Senate leaders, meanwhile, announced the most significant



The president urged limited immunity for John M. Poindexter, left, and Oliver L. North.

Bush's Staff Was First in Government To Know of Missing Contra Aid Plane

WASHINGTON — Vice President George Bush's staff received the first word in the government that a private U.S. cargo plane carrying ammunition and supplies to the Nicaraguan rebels was missing over Nicaragua in October, Mr. Bush's office has announced.

The episode shows a much closer relationship than previously acknowledged between the vice president's staff and the secret private network that was supplying arms to the rebels, known as contras.

The information about the plane was passed on to high-ranking officials of the National Security Council, Mr. Bush's office said Monday night.

Three crew members were killed when their C-123 went down on Oct. 5. A fourth, Eugene Hasenfus, was captured by Nicaraguan government forces. He was convicted of terrorism and other crimes and sentenced to 30 years in prison.

The disclosures by the vice president's office were contained in a chronology tracing contacts between Felix Rodriguez, who has been involved in anti-guerrilla activities in El Salvador, and two Bush staff members: Donald P. Gregg, the vice president's national security adviser, and Colonel Samuel J. Watson 3d, Mr. Gregg's deputy.

The chronology was released to explain and clarify the relationship between Mr. Rodriguez and Mr. Bush and his aides.

It provides the most significant indication to date that the administration was aware of the clandestine network that provided supplies to the Nicaraguan insurgents.

It suggests that the administration knew more about the supply effort than it has said publicly.

Spokesmen for the administration, the State Department, the Central Intelligence Agency and the Pentagon have denied that the

ON PAGE 3

- The new director of the U.S. National Security Council is planning to revamp the agency.
- Ronald Reagan asked Japan's help in freeing hostages in Iran, a former Tokyo official said.

flight was in any way connected with the U.S. government.

Mr. Bush's office said Mr. Rodriguez called Colonel Watson twice, on Oct. 5 and 6, to say he had received information that an aircraft supplying the rebels was missing and possibly downed in Nicaragua. It said Colonel Watson then informed the White House Situation Room and the staff of the National Security Council.

In addition, the chronology said Mr. Rodriguez met with Mr. Gregg and Colonel Watson almost two months earlier, on Aug. 8, "to express his concerns" about the secret supply network, including the difficulty in maintaining it and the poor quality of aircraft being used.

These concerns were then re-

Activist for Contras Had White House Links

WASHINGTON — The head of a political action group that campaigned against congressional opponents of U.S. military aid to the Nicaraguan rebels had a number of links to the White House, according to White House and other officials.

But no evidence emerged to support allegations reported by a Massachusetts newspaper, The Lowell

Karachi Dead Now 150; Troops Enforce Curfew

KARACHI, Pakistan — The death toll was put at more than 150 Tuesday after three days of rioting between the Pathan and Muhajir communities.

Army, navy and police units, meanwhile, enforced a curfew on the nearly deserted streets of Karachi. Still, sporadic incidents of violence were reported from several areas that were under curfew.

"At least one person was reported killed Tuesday and a number of shops set ablaze. Volunteer ambulances were sitting through the rubble of houses and shops in the Orangi Town district, perhaps the hardest hit section of the city, found 20 buried bodies Tuesday, bringing the death toll in three days of fighting to more than 150.

Troops in Orangi Town opened fire on Pathans who had defied the curfew and shot at a patrol. At least 63 Pathans were said to have been rounded up when soldiers scaled a hill from where Pathans had been shooting since Sunday at Urdu-speaking immigrants known as Muhajirs.

Official sources also confirmed Tuesday that President Mohammed Zia-ul-Haq had to put off a planned visit to Karachi's civil hospital Tuesday after relatives of the dead and injured gathered at the gates and began shouting anti-government slogans. General Zia later visited the Abbasi Shabeh hospital under heavy guard.

Prime Minister Mohammed Khan Junejo, who summoned the governors of North-West Frontier Province and Baluchistan to Karachi, continued to meet with elected officials to map out a strategy to deal with the mounting tensions in Pakistan's largest city.

Seven other cities and towns in Sindh Province responded to a strike call Tuesday by the Muhajir community. The city of Hyderabad, 95 miles (about 150 kilometers) from Karachi, was put under curfew. But during a period when it was lifted, three banks and government offices were set on fire.

As panic gripped Karachi on Tuesday, more than 10,000 Afghan refugees were abruptly moved to a tent city in the desert scrubland

five miles from the city's outskirts. Many expressed bitterness and bewilderment over their fate.

"I don't know where Allah will take me from here," said Jemat Bibi, 61, who said she reached Karachi after escaping to Baluchistan from her native Kandahar in 1982, when a Soviet bombing raid killed her husband and 20-year-old son.

Another 10,000 Afghans, mostly women, children and old men, are waiting for their homes to be demolished as part of a drive against a major center for drugs, arms and smuggled goods.

It was the operation to break the hold of drug and arms traffickers on Karachi's Bala market that sparked the violent ethnic clashes.

Government officials appear to have decided also to demonstrate a firm hand on Pakistan's Afghan refugee problem by sending the 20,000 Afghans living in the bazaar area to camps in the North-West

They have said that a precondition for normalization of relations with Vietnam is Hanoi's withdrawal of forces from Cambodia.

China and Vietnam fought a brief but bloody border war in February and March of 1979 after Vietnamese troops played a major role in overthrowing the Khmer Rouge regime of Pol Pot, which had received extensive aid from Beijing.

Trong Chinh, the leader of the Vietnamese Communist Party, said Monday in a speech relayed by the state radio that Hanoi was "ready to negotiate with China anytime, at any level and anywhere."

But he said there could only be a negotiated settlement of the Cambodian conflict if the "Pol Pot clique" was eliminated.

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The coalition is accepted by an overwhelming majority of UN members as Cambodia's legitimate

U.S. Envoy in Bonn Rebukes Pentagon Official



By James M. Markham
 New York Times Service

BONN — Ambassador Richard R. Burt took the unusual step on Tuesday of repudiating a statement by a high Pentagon official that Bonn should cut credits to East Germany and spend them on the military.

In an interview published Saturday by the Neue Osnabrücker Zeitung, Richard N. Perle, an assistant secretary of defense, suggested that West Germany could make a greater contribution to NATO if it gave fewer credits to the Communist authorities in East Berlin.

His remarks drew a tart retort Monday from Friedhelm Ost, a spokesman for Chancellor Helmut Kohl, who noted that Bonn does

not grant credits to East Germany but instead guarantees private bank loans.

Mr. Burt, who in his previous post as assistant secretary of state feuded incessantly with Mr. Perle on arms-control policy, rebuked the Pentagon official at a news conference in Stuttgart.

"Richard Perle," said the ambassador, "is an assistant secretary of the Defense Department and has no competence, as such, for German-German relations. His statement does not therefore reflect U.S. policy."

Mr. Burt, according to embassy sources, was furious at Mr. Perle's comment, which, falling in the midst of a national election campaign,



Richard R. Burt (left) and Richard N. Perle.

French Steel Protest: Desire for Jobs vs. Industrial Competitiveness

By Axel Krause
 International Herald Tribune

METZ, France — In an effort to keep the French government from accelerating the restructuring of its ailing steel industry, about 10,000 workers from the Lorraine region in eastern France plan a 24-hour work slowdown and a protest march in Metz on Wednesday.

The immediate goal of the main organizers, the Communist-led General Confederation of Labor, is to stop the closing early next year of the last two blast furnaces of the state-owned Sacilor steel company in Longwy.

A grimy town of 90,000 people northwest of Metz on France's borders with Belgium and Luxembourg, Longwy was the site of clashes between riot police and workers in 1984 and in 1979. The police expect violence on Wednesday.

Leaders of Communist and non-Communist unions said they hoped their protests would lead to similar movements in other steel centers around France as cutbacks are announced during coming weeks.

But the focus is on more than blast furnaces and the strike Wednesday. For the company, and for the European Community Commission, the shutdown of Longwy has become a test of the ability of Western Europe's steel industry to compete internationally.

For the unions, Longwy is also a test — of their ability to retain jobs. Output at Sacilor SA plants there has fallen since the early 1970s as the work force has been cut from 25,000 then to 2,400 now.

Under strong pressure from the government to restore profits, Sacilor, the region's dominant employer, wants to cut the work force to around 800.

That, a plant executive conceded last week, amounts to "a death sentence" for the plants and the surrounding valley for a century. The 800 remaining workers will produce beams and wire from steel made elsewhere.

Unlike the plant executive, union officials insist that "steel has a future here," as Fernand Tiberi put it.

"We will fight management on the streets of Metz, and we are not afraid of repression," said Mr. Tiberi, an official of the General Confederation of Labor, which is known as the CGT from its name in French.

Mr. Tiberi spoke at heavily guarded union headquarters in Longwy, where he is helping to organize the demonstrations. He said the CGT was counting on support throughout the economically depressed Lorraine region.

The demonstration and a follow-up planned in Paris for Dec. 29, if they draw huge support, could not only slow the steel industry restructuring but

also prove embarrassing for the conservative government of Prime Minister Jacques Chirac.

Reacting to student demonstrations in Paris and other French cities earlier this month, Mr. Chirac

"Maybe we are doomed, but the government does not seem to be in control these days, so perhaps we can succeed also — at least by slowing down, if not stopping, the plant closings."

— Edouard Wojciech, A leader of the General Confederation of Cadres

to participate in the demonstrations on Wednesday.

Gesturing toward gray beams and long lengths of wire in the Longwy yards, Mr. Wojciech said: "Maybe we are doomed, but the government does not seem to be in control these days, so perhaps we can succeed also — at least by slowing down, if not stopping, the plant closings. We hope the movement will spread elsewhere."

When demonstrators reach the headquarters of Sacilor in the center of Metz, they will face executives with little room for maneuvering.

"I will be there, ready to meet with them, but the CGT is wrong to think we can build a future around the Longwy steel plants," said Jean Jacques, president of Unimetal-Ascometal, the Sacilor subsidiary that operates the Longwy plants.

"All we can talk about is timing, but what would any delay accomplish?"

At issue is the effort by Francis Mer, the chairman of both Sacilor and Usinor SA, to restore the linked steel companies to profits.

Mr. Mer, whom the government named in September to head both companies, said in an interview in Paris on Monday that he remained "totally committed" to eliminating at least 14,000 jobs in both companies next year. About 11,600 jobs were eliminated at Usinor and Sacilor plants this year, bringing the combined work force to 89,700.

The 1987 reductions, which are planned at steel plants throughout France, will not be the end, according to government and company sources. They expect perhaps an additional 6,000 job losses next year.

"Longwy may be something of a symbol, but it is only one of my many concerns as we attempt to close the gap with our West European competitors, many of whom are already profitable," Mr. Mer said. He said that he was convinced he must accelerate the modernization plan begun under the previous Socialist government in 1984.

Usinor and Sacilor, representing West Europe's largest steel group with 1985 sales of \$4.9 billion francs (\$13 billion at current exchange rates), have not earned a profit in more than 12 years.

Pressure to speed up the "Mer Plan" is being generated by worldwide competition, which has led to a 25-percent drop in European steel prices this year, and by the free-market orientations of both Mr. Mer and his boss, Alain Madelin, the minister of industry.

"I won't surprise you by saying that in my view, steel production is not an activity for the government," Mr. Madelin recently told a meeting of French steel officials. Usinor and Sacilor were nationalized by the Socialists in 1981.

Mr. Mer and Mr. Madelin want not only to

bring the combined work force to 89,700.

BUSH: Staff Knew First

(Continued from Page 1)

laid by the two Bush aides at a meeting four days later, which included Edwin G. Corr, the ambassador to El Salvador; Deputy Assistant Secretary of State William G. Walker, and two National Security Council officials, Raymond F. Burghardt and Bob Earl. Also present was an unidentified CIA official, the chronology said.

Mr. Hasenfus, 45, was a cargo handler on the C-123. He said immediately after his capture that he was working for the Central Intelligence Agency. But later, in public appearances before a tribunal in Managua, he said he was not sure whether two co-workers, whom he named as Max Gomez and Ramon Medina, were CIA operatives.

The agency has denied any connection with the two men, Cuban exiles, whose real names are Felix Rodriguez and Luis Posada Carriles. They had worked with the CIA during and long after the Bay of Pigs invasion of 1961.

After his capture, Mr. Hasenfus said he believed that Mr. Gomez was a friend of Mr. Bush.

Mr. Hasenfus's capture set off several congressional and federal investigations into whether the supply operation, run from Hoozango Air Base in El Salvador, had links to the Reagan administration.

Mr. Hasenfus was paid by Corporate Air Services, a Pennsylvania-based company that he said was a front for Southern Air Transport, a Miami-based concern that was owned by the CIA until 1973, has acknowledged holding a contract to service the planes used in the supply operation.



Donald T. Regan, the White House chief of staff, arriving Tuesday at the Capitol to testify.

DIVERT: Contra Activist Tied to White House; No Use of Iran Funds Seen

(Continued from Page 1)

which candidates he was going to support.

The Hatch Act bars civil servants from taking part in partisan political activities.

Late last year and early this year President Ronald Reagan, Vice President George Bush and Edward J. Rollins, then the president's top political assistant, all wrote letters to Mr. Channell. The letters, copies of which were obtained by The New York Times, praised Mr. Channell for supporting the fight to renew American military aid to the Nicaraguan rebels, known as contras.

Mr. Bush wrote that the "work of the National Endowment for the Preservation of Liberty is of great significance to the foreign policy goals being pursued by the administration."

The endorsement, headed by Mr. Channell, sponsored television advertisements that criticized some

members of the House of Representatives for opposing aid to the contras. The advertisements were broadcast in the spring, when a new vote on the subject was due.

The endorsement was listed by The Lowell Sun as one of the recipients of funds diverted from the secret arms sales to Iran.

Several sources, including two people who have worked with Mr. Channell in the past, said he had met on several occasions with the vice president, but Mr. Bush's press secretary, Marvin Fitzwater, said Monday night that the vice president's only meeting with Mr. Channell took place Oct. 30, 1985. It was set up, he said, by Lee Atwater, a political consultant working on Mr. Bush's 1988 presidential bid.

The Lowell Sun listed several House members as targets of negative advertisements last spring — as the House took votes on aid to the contras — and said the ads were

REAGAN: Immunity Is Urged

(Continued from Page 1)

Mr. Regan had been "very candid and very open and, I think, very persuasive," Mr. Hatch said. Mr. Regan "has added a little bit" to the panel's understanding of what happened.

Any congressional grant of the "use immunity" proposed by Mr. Regan would not only compel testimony by Admiral Poindexter and Colonel North, and possibly others, but would shield them from prosecution based on information they give Senate investigators. However, prosecutors would be free to build a criminal case from information gathered independently or from other witnesses' testimony.

Mr. Speakes said Mr. Regan "retains the power for executive clemency in any case" and that the president has not ruled out that step. But he added, "The president has no plans at present to do so."

For nearly three weeks, several congressional committees have been examining the secret sales of arms to Iran and the diversion of proceeds from those sales to the rebels fighting the leftist government in Nicaragua.

Announcing Mr. Regan's appeal at a hastily called, nationally broadcast news briefing, Mr. Speakes said the president had decided against summoning Admiral Poindexter and Colonel North to the Oval Office to demand that they divulge all they know, as some members of Congress have urged.

In addition to the Senate special committee, the House also will form a similar, 15-member special panel to investigate the Iran arms sale. That committee's membership is to be announced Wednesday.

In other developments:

Secretary of State George P. Shultz, interviewed on a government-sponsored telecast to Europe, ruled out any further U.S. arms sales to Iran, which he privately opposed in past discussions with Mr. Regan and which were carried out largely without the participation of the State Department.

The director of the Central Intelligence Agency, William J. Casey, was described as alert and in stable condition Tuesday at Georgetown University Hospital here after suffering a minor brain seizure Monday, on the eve of scheduled testimony before the Senate Intelligence Committee.

Mr. Casey's doctors said he suffered a second seizure while undergoing tests at the hospital.

The Swiss government, responding to a broadened request by the U.S. Justice Department, has asked a Swiss bank to block all accounts linked to Colonel North and two associates, according to Swiss officials.

Counsel Gets Wide Powers In Deaver Investigation

(United Press International)

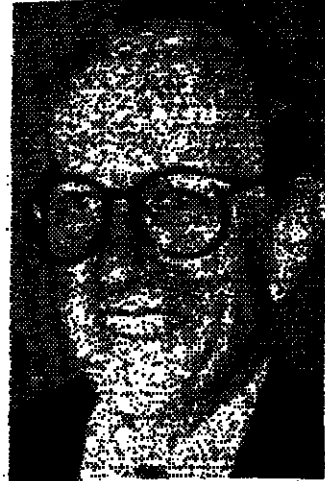
WASHINGTON — An independent counsel was granted expanded authority Tuesday to investigate the former White House deputy chief of staff, Michael K. Deaver, on perjury charges and to pursue any of Mr. Deaver's associates who may have violated ethics laws.

In a brief order, a special three-judge panel responded to a petition from the prosecutor, Whitney North Seymour Jr. of New York, who had sought assurance that his original mandate was broad enough to cover all possible improprieties in the affair.

Mr. Seymour was named in May to investigate allegations that Mr. Deaver might have committed three criminal violations of U.S. ethics laws in his lucrative private lobbying activities since resigning as the deputy White House chief of staff in the spring of 1985.

The 1974 Ethics in Government Act prohibits senior government officials from lobbying their former agencies on matters in which they were personally and substantially involved while in office.

In his petition filed last week and made public Tuesday, Mr. Seymour advised the special panel of



Michael K. Deaver

the U.S. Court of Appeals for the District of Columbia that he had evidence that "certain persons and entities may have conspired with and aided and abetted" Mr. Deaver in violating a federal conflict-of-interest law.

Mr. Seymour, who has convened a federal grand jury, also requested and received authority to investigate evidence that "various persons," including Mr. Deaver, "may have obstructed justice, given false testimony or made false statements." Mr. Deaver is accused of lying under oath to a House Energy and Commerce subcommittee last summer.

Randall Turk, a lawyer for Mr. Deaver, said he regarded the court's order Tuesday "as an after-the-fact confirmation from the court that Mr. Seymour can do what he's already done."

AFP Journalists Extend Strike

PARIS — Leaders of striking journalists at the French news agency Agence France-Presse said Tuesday that talks with the chairman, Henri Piguet, failed to produce a solution to a five-day conflict that has halted most outgoing services.

The journalists then voted to extend the strike a further 48 hours. Union representatives of administrative employees said they had voted for a 24-hour strike in support of the journalists.

STEEL: French Protest Is Planned

(Continued from Page 1)

restoration profits but also to return the companies to private ownership eventually. By cutting the work force, investing in plant modern-

Labor Protests Grow in France

PARIS — The planned demonstration by Lorraine steelworkers on Wednesday is by no means an isolated event.

Utility workers plan partial electricity cuts in Paris on Wednesday to protest government orders to keep wage increases to a maximum 3 percent next year.

Reservation and information clerks at the state-owned railroad, the SNCF, said Tuesday that they planned a five-day strike to oppose management's refusal to pay a year-end bonus.

Navigation personnel of the domestic airline Air Inter said they would strike Dec. 19 and Dec. 20 to oppose the elimination of a third crew member in new Airbus 320 planes.

Union leaders announced plans to strike the Paris and regional subway systems on Dec. 22, Dec. 23 and Dec. 24.

HANOI: Soviet Reassurance

(Continued from Page 1)

which he gave the impression that Moscow was urging Hanoi to settle its differences with Beijing.

Analysts said Moscow needed continued access to military bases in Vietnam and did not want part company with its major ally in Asia.

U.S. officials estimate that Moscow is providing more than \$3 billion a day in economic and military aid to Vietnam. They say this underwrites Vietnam's occupation of Cambodia.

Vietnam signed a 25-year treaty of friendship and cooperation with the Soviet Union in 1978 after strains with China over Cambodia and other issues became acute.

Speculation on Leadership

Delegates to the congress are freely discussing rumors of top leadership changes with Western reporters. The Associated Press reported from Hanoi.

Lower-level government officials were pulling reporters aside to talk about reports that Mr. Chinh, Prime Minister Pham Van Dong, and a prominent Politburo member, Le Duc Tho, all would step down during the four-day congress.

There have been months of criticism of leadership failings, especially over economic policy.

Mr. Chinh, 79, Mr. Dong, 80, and Mr. Tho, 75, head a list of aging revolutionaries in the 14-member ruling Politburo.

BURT: Official Rebuked

(Continued from Page 1)

paige, embarrassed Mr. Kohl's center-right coalition government. The chancellor has been a stout supporter of President Ronald Reagan.

On Monday, Andreas Meyer-Landrut, a high Foreign Ministry official, was reported to have expressed the government's outrage to the ambassador.

Mr. Burt was said to have expressed in private what he said Tuesday at the news conference.

The opposition Social Democrats seized upon Mr. Perle's statement to portray Chancellor Kohl as a lackey of Washington.

Johannes Rau, the party's standard-bearer in the Jan. 25 election, said he was "shocked" by the remark, "which shows that some American politicians think they can treat the Bonn government any way they please."

Horst Ehmke, a Social Democratic deputy, said that Mr. Perle belonged to the circle of President Reagan's advisers responsible for "the gigantic arms buildup that is partly responsible for the gigantic indebtedness of the United States."

Mr. Ehmke suggested that instead of offering aid to West Germany, Mr. Perle should concentrate on how the United States, "the world's number one debtor," could avoid "bankruptcy."

It was not the first time that Mr. Perle had drawn charges that he was meddling in the internal affairs of a West European nation.

In September, he joined Defense Secretary Caspar W. Weinberger in criticizing the British Labor Party's unilateral disarmament policies, saying that they would lead to a crisis in the North Atlantic Treaty Organization.

The Bonn government has provided collateral for a number of private bank loans to East Germany.

It also makes available an interest-free overdraft, currently worth \$425 million annually, to finance trade between the two states, but East Germany has rarely taken full advantage of it.

WORLD BRIEFS

100 Afghans Said to Die in Bombing

NEW DELHI (UPI) — Soviet and Afghan aircraft bombed densely populated areas of Kandahar, Afghanistan's second-largest city, last week, killing more than 100 civilians, Western diplomats said Tuesday.

About 200 Afghan troops died battling Moslem rebels, they said. They gave no estimates of rebel losses in the battle for the control of the city, which is 200 miles (325 kilometers) southwest of Kabul.

The diplomats also said that a senior Soviet officer, possibly a general, was killed Dec. 8 in heavy fighting in the eastern Logar Valley and that the Soviet and Afghan air forces had lost at least 11 aircraft to rebel surface-to-air missiles since Dec. 1.

The reports could not be independently confirmed. Western journalists have rarely been allowed into Afghanistan since Soviet forces intervened in December 1979.

Opposition Sweeps Trinidad Election

PORT-OF-SPAIN, Trinidad (AP) — An opposition coalition has swept elections in Trinidad and Tobago, ending 30 years in power for the People's National Movement, according to preliminary results released Tuesday.

The opposition National Alliance for Reconstruction won 33 of the 36 seats in the House of Representatives in voting on Monday, the Elections Commission indicated. The group won a wide following by blaming economic malaise on government mismanagement.

Prime Minister George Chambers, 58, was among People's National Movement members who lost their seats. A.N.R. Robinson, leader of the opposition coalition, is expected to be the new prime minister.

Pelton Given Life Sentence for Spying

BALTIMORE (UPI) — Ronald W. Pelton, a former U.S. National Security Agency employee, was sentenced Tuesday to life in prison for selling military secrets to the Soviet Union.

Judge Herbert Murray of U.S. District Court here sentenced Mr. Pelton, 44, to three life terms plus 10 years, all to be served concurrently, saying Mr. Pelton had "caused inestimable damage to U.S. intelligence programs and compromised the safety of the citizens of this country."

The former NSA communications expert, who had top-secret clearance, was convicted of selling Moscow information on a \$1-billion submarine reconnaissance operation.

Bokassa Denies Part in Assassinations

BANGUI, Central African Republic (UPI) — Jean-Bédel Bokassa, the former self-proclaimed emperor who ruled the Central African Republic for 13 years, denied Tuesday that he had been involved in the assassinations of two senior army officers whom he ordered arrested and jailed in 1973.

Colonel Auguste Mbongo, who also served as public works minister, was arrested in April 1973 and was believed to have been killed at the prison at Mbeidi, about 70 miles (115 kilometers) south of Bangui. His body was never found. Mr. Bokassa denied Tuesday that he was involved in Colonel Mbongo's death or in the death of Major Gaston Krongo, who was arrested in the same month and who also is believed to have been killed in prison.

At the end of the day, Mr. Bokassa's trial on charges of assassination, embezzlement, torture and cannibalism was suspended until Thursday to give lawyers time to study dossiers pertaining to the two men.

Thatcher Answers AWACS Criticisms

LONDON (Reuters) — Prime Minister Margaret Thatcher, struggling to stifle a dispute over Britain's choice of an airborne early warning system, said Tuesday that defense needs, not political considerations, would guide her decision.

Mrs. Thatcher is expected to announce on Thursday that Britain has chosen the Airborne Warning and Control Systems planes built by Boeing Corp. of the United States rather than the rival Nimrod made by Britain's General Electric Co. to replace reconnaissance planes that guard Britain's coasts.

Striving to deflect charges that she would be spurning British industry if she rejected Nimrod, Mrs. Thatcher told Parliament: "Defense requirements must be paramount and they will not be subordinated to any political expedients." She rejected calls for an independent inquiry to investigate the relative merits of the two planes.

For the Record

Pilot error has been blamed in the crash of an Aeroflot airliner last week that killed 70 of the 82 people aboard near East Berlin, the East German news agency ADN said Tuesday.

At least 10,000 Belgian students demonstrated in Brussels on Tuesday to protest the government's educational austerity measures and increased university tuition fees.

Israel's Supreme Court delayed ruling Tuesday on an appeal by Akram Haniyeh, an Arab editor of the East Jerusalem Al-Shaab newspaper. He faces expulsion for alleged anti-Israeli activities. (Reuters)

Travel Note

Pan Am will suspend U.S.-Africa services Feb. 1, a company spokesman said Tuesday in New York. He said the decision was the result of economic conditions, including passenger bookings that did not meet forecasts. (Reuters)

Correction

A picture caption in the Weekend section of Dec. 12 incorrectly dated a picture of Russian soldiers in Vienna. The correct date is 1945.

THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.

Mr. Najtes, a West German, views the French plan as a crucial step in averting pressures for protection in the cartel, comprising the commission and Eurofer, a group of about 20 leading West European steel producers.

They operate under a system, approved by all EC member governments and covering about 60 percent of all EC steel production, that was drafted nearly 10 years ago. Under this system, the EC and member governments have paid \$40 billion in subsidies since 1980 while fixing production quotas for participating companies in an effort to maintain prices.

As a first step in dismantling the system gradually, subsidies were eliminated last Jan. 1. Hoping to end the system by 1988, the EC Commission has also proposed to remove quotas. Last month, however, EC industry ministers responded to pressures from Eurofer and decided to postpone action on quotas until March.

EC: Major Curbs

(Continued from Page 1)

rotating presidency, which it will relinquish to Belgium on Jan. 1.

The beef plan envisages compensation for farmers who abandon cattle production, but Ireland could not benefit under the original proposal as it already has such a relief plan in operation.

Irish agreement was achieved with the offer of a special subsidy of 22 million Irish pounds (about \$31 million) for its cattle farmers.

The beef and milk revisions will open the way for changes in other agricultural sectors, but these negotiations promise to be just as tough.

The commission has estimated a shortfall of 4 billion European currency units (about \$4.1 billion) in next year's budget of 36 billion ECUs.

The European Parliament has effectively rejected the budget because of this shortfall and diplomats said this first step in the revision might enable the Parliament to pass the budget.

U.S.-EC Corn Dispute

The United States has rejected an EC suggestion for a one-month extension of a deadline for resolving a dispute over a duty on Spanish imports of U.S. corn. United Press International reported from Washington, quoting a deputy secretary of agriculture, Peter C. Myers.

Trade officials meeting during the weekend in Brussels failed to make progress on the dispute, which both sides had agreed to settle by Dec. 31.

"We are not entertaining a one-month extension," Mr. Myers said. He declined to say if the United States would move against European food imports on Jan. 1.

KARACHI: Death Toll Rises

(Continued from Page 1)

Frontier Province and Baluchistan close to the Afghan border.

Workers from the Karachi development authority worked from dawn to dusk Tuesday under heavy army protection to demolish the estimated 2,500 mud huts in the Afghan colony. The work began Friday, when about 5,000 troops marched into the Bala market to "eliminate drugs and arms dens."

Syed Sardar Ahmed, commissioner of Karachi, said later that the operation would also "include the shifting of Afghan refugees from this illegally occupied land to a nearby tented village."

During talks with the refugees in their new location Tuesday, it became clear that they had not been told of another decision: that their final destination after being uprooted from Karachi will be camps close to the Afghan border.

"Now they have put us here," said Abdul Rehman, 18, one of the few men of fighting age living in the camps and not off with the guerrilla forces in the frontier area or inside Afghanistan. "It will take me more than two hours to walk down to my place of work."

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South Sudan Flights Resume

CAIRO — Airline flights to southern Sudan, suspended since rebels shot down an airliner Aug. 16 killing all 60 persons aboard, were resumed Tuesday after an agreement was reached with insurance companies, a Sudan Airways spokesman was quoted by the Middle East News Agency as saying.

Italy's Eda

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AMERICAN TOPICS

Business Economists Experience Layoffs

With corporations restructuring to cut costs, business economists are among the first to be dismissed, The Washington Post reports.

The growing list of companies that have eliminated or cut back their economics departments includes W.R. Grace, Bechtel, Exxon, General Electric, Union Carbide, Chemical Bank and Bankers Trust.

Many jobs for economists have evaporated with the development of computerized forecasting, the use of outside forecasting firms and the proliferation of corporate mergers.

The Labor Department reports that 102,000 people are unemployed as economists. Washington Post reports a happy hunting ground for the profession, with the U.S. government, which alone employs more than 6,000 economists.

Elsewhere, things are tough. Pan Yatsakis, who was let go as Xerox's chief economist, formed his own consulting firm, which does much of its work for Xerox. He says, "A lot of economists had their heads up in the clouds. They wanted to deal with issues of national significance rather than the level of what they meant to the corporation."

"If I do think it's going to turn around," says Gary L. Stevens, the head of a placement service. Companies, he says, "will realize they need economic information to run the business properly. But they won't ever have very large staffs again."

Joseph J. Silvano Jr., a Newton, Massachusetts insurance broker, was due to appear in U.S. court in Boston to plead guilty to income tax evasion, which carries a penalty of up to 10 years in prison. On the way, Mr. Silvano,



NAUGHTY — A San Francisco policeman frisked an animal-rights advocate in a Santa Claus suit because the Santa and others blocked the door of a fur-coat store.

51, who suffers from claustrophobia, was stranded for two hours with 12 other persons in an elevator when it became stuck between floors. When Mr. Silvano, breathing hard and bathed in sweat, finally staggered into Judge Walter Jay Skinner's courtroom, the judge said that defendants "are not supposed to be punished before they go to court." He ruled that Mr. Silvano's two hours in the elevator would be his sentence.

Smokers need not apply for work at the new Wentworth, Missouri, community hospital, which opens in February. Employees will be forbidden to smoke on the job and must agree not to light up at home. Doctors are exempted. The American Civil Liberties Union says the hospital has no legal right to prohibit employees from smoking off duty. Charles Green, the hospital administrator, says the hospital "is not going to send Gestapo agents to anyone's house to see if they are smoking."

Having jumped bail while awaiting a court appearance on a charge of auto theft, Howard En-

U.S. Sought Japan's Help On Hostages, Ex-Aide Says

By John Burgess

TOKYO — President Ronald Reagan telephoned Prime Minister Yasuhiro Nakasone secretly in July 1985 to ask Japan to try to persuade Iran to help free the American hostages in Lebanon, according to a former Japanese minister of justice.

Mr. Nakasone confirmed Tuesday that he and Mr. Reagan spoke on the telephone in the summer of 1985 about the hostages. But he said that Japan's decision to work for their release was taken unilaterally. He reiterated previous statements that Japan had no role in U.S. arms sales to Iran.

The former minister, Akira Hatanoto, said that Japan dispatched a special envoy to Iran and Syria in August. The envoy suggested to Iranian officials that Japan might increase purchases of Iranian oil and be more amenable to giving post-war reconstruction aid if it got cooperation on the hostages, Mr. Hatanoto said.

In Syria, which controlled areas in Lebanon where the hostages were believed held, the envoy told officials that Japanese money might be forthcoming if Syria helped out, he said.

Mr. Hatanoto said that he helped set up the trip by advising a U.S. intelligence officer that Mr. Nakasone would be receptive if Mr. Reagan made such a request. Mr. Reagan called the next day.

The general feeling on the Japanese side, Mr. Hatanoto said, was that overall U.S.-Japanese relations would greatly benefit from the effort. Trade relations were strained at the time by Japan's expanding trade surpluses, and Congress was talking of retaliation.

The Japanese government has confirmed that in 1985 it repeatedly urged Iran to help free the hostages. But officials have said that Japan acted on its own initiative, with no direct U.S. request.

In Washington, a senior White House official confirmed that Mr. Reagan called Mr. Nakasone on July 28.

Carlucci to Overhaul U.S. Security Agency

By Bernard Weinsrub

WASHINGTON — The new director of the National Security Council, Frank C. Carlucci, plans a virtually complete overhaul of the council, and has already selected key aides on the Soviet Union and Latin America, according to administration officials.

One administration official said Monday that Mr. Carlucci, who was named Dec. 2 to replace Vice Admiral John M. Poindexter, plans a "clean deck of people" at the White House council, and that he was "disturbed" about the way the council had been operating.

Mr. Carlucci's plans to revamp the National Security Council come amid revelations that council officials apparently played a central role in what the White House has described as the diversion of millions of dollars to Nicaraguan rebels from the profit of clandestine Iranian arms deals.

Admiral Poindexter resigned as assistant to the president for national security affairs as the arrangements were revealed, and a key aide, Lieutenant Colonel Oliver L. North, was dismissed.

Officials said Mr. Carlucci, in his preliminary findings, had decided that the council staff was far too involved in shaping foreign policy, as opposed to coordinating it. The caliber of the staff appointed by the recent council heads, Robert C. McFarlane and Admiral Poindexter, "dissatisfied" him, according to one associate.

The officials said most council staff members would probably return to the agencies from which they came, such as the State De-



Frank C. Carlucci

partment, Pentagon and Central Intelligence Agency.

[Howard Teicher, the senior adviser for political and military affairs on the council, "is resigning because there's a new national security director and resigning for what he describes as personal reasons." The Associated Press reported Tuesday, quoting the chief White House spokesman, Larry Speakes.

[Mr. Teicher was called to testify last week before congressional investigators studying the Iran arms affair.]

Officials said Mr. Carlucci planned to appoint Fritz W. Ermarth, a strategic arms analyst who worked in the National Security Council during the Carter admini-

stration, as his chief Soviet specialist.

Mr. Ermarth's previous jobs included one in which he worked on the office of strategic evaluation at the Central Intelligence Agency in the 1970s.

Mr. Carlucci also plans to name Jose S. Sorzano, a former U.S. deputy representative at the United Nations, to serve as the council's chief Latin American specialist.

An official close to Mr. Carlucci said the new director seeks "an entirely new approach, much closer to what they've had in the past."

He said Mr. Carlucci viewed the council's mandate as foreign policy coordination among government departments and not advocacy of certain policies.

"He feels the staff needs to be strengthened considerably and not take sides and get caught up in the quarrels between agencies," the official said, but rather work "as coordinators to produce the best possible policies."

The professional staff of the National Security Council, which was set up in 1947, serves as the foreign policy arm of the White House and

was designed, essentially, to review and coordinate agency proposals to the president.

The council's role grew during the Kennedy administration, and flourished when Henry A. Kissinger became President Richard M. Nixon's national security adviser. Under President Ronald Reagan, the council has played a key role in coordinating and helping shape policy.

Officials said that senior council officials expected to leave shortly include Alton G. Keel Jr., the council's deputy director, and Commander Rodney B. McDaniel, the council's executive secretary. One of Mr. Keel's deputies, Peter W. Rodman, formerly director of the State Department's Office of Policy and Planning, may remain in his job, officials said.

Mr. Carlucci is reportedly planning to name as his deputy Lieutenant General Colin L. Powell, who is a former senior military assistant to Defense Secretary Caspar W. Weinberger and one of the highest-ranking black officers in the military.

Mr. Ermarth will replace Jack F. Matlock Jr., a career diplomat.

Nicaragua Says Accused U.S. Spy To Face 'Same Process as Hasenfus'

By Stephen Kinzer

MANAGUA — An American who was captured in Nicaragua last week and accused of spying will be tried before the same people's tribunal that last month sentenced another American, Eugene Hasenfus, to 30 years in prison, according to a Foreign Ministry spokesman.

"It can be expected that he will go through the same process as Hasenfus," the spokesman, Angela Sabellos, said Monday. "This is not just me saying so. The foreign minister has confirmed it."

The American, Sam Hall, was reportedly arrested Friday outside the Sandinista air base at Punta Huete, 13 miles (21 kilometers) northeast of Managua. He reportedly had gone there in a taxi.

Interior Minister Tomás Borge Martínez said Sunday that Mr. Hall was carrying hand-drawn maps hidden in his socks. Mr. Borge, speaking in Panama, said the maps showed not only the Punta Huete base but also two Nicaraguan towns, Corinto and Tipitapa.

Corinto is Nicaragua's principal port and a traditional target of terrorist attacks perpetrated by the CIA," Mr. Borge said. "Tipitapa is a town strategically located near Managua."

Mr. Borge also said Mr. Hall's American passport contained visas for El Salvador and South Africa and Israel, among others.

In announcing the arrest Saturday, Foreign Minister Miguel d'Escoto Brockmann said the information Mr. Hall was collecting "would be of interest only for a potential or real enemy of Nicaragua."

An Interior Ministry communiqué said Mr. Hall had said he worked for a private organization called the Phoenix Battalion, "which specializes in intelligence and espionage work."

A U.S. spokesman in Managua, Alfred Lutz, said Monday that the Nicaraguan government had not given permission for a consular officer to visit Mr. Hall, who is being held at an undisclosed site. He said

the embassy could not confirm Mr. Hall's identity until such a meeting took place.

Mr. Hall, a one-time Olympic diver and former state representative in Ohio, was reportedly being questioned by state security agents on Monday. Mr. Hall's brother, Representative Tony P. Hall, a Democrat of Ohio, said Sam was an ardent anti-Sandinista.

The pro-government press in Managua has been referring to Mr. Hall as an American spy. "This individual confessed that his intelligence and espionage work is passed on to the United States Air Force," the Sandinista newspaper *Barricada* reported.

Punta Huete, where Mr. Hall was seized, is a military base and is considered one of the most sensitive installations in the Managua area. Its principal feature is Nicaragua's longest runway, which was built by the Sandinistas partly in anticipation of receiving combat jets. But continuing Sandinista efforts to obtain such aircraft from the Soviet Union or elsewhere have thus far proved unsuccessful.

Some stores at 32 sites in Eastern bloc countries.

The Reagan administration plans to start production of binary weapons by the end of 1987 if no agreement is reached at the long-running multinational Geneva talks.

Western military experts believe that Moscow has maintained an ambitious program of chemical weapons production and training.

They estimate that Moscow has 200,000 to 500,000 metric tons of modern chemical arms, including

Soviet Again Offers Chemical Arms Freeze

By [Name]

GENEVA — The Soviet Union repeated Tuesday that it would declare a moratorium on production of chemical arms if the United States renounced plans to resume producing such weapons next year.

Viktor L. Israfilov, chief Soviet delegate at the 40-nation Geneva Conference on Disarmament, said Moscow would agree to a freeze if it covered a new generation of binary, or two-chamber, chemical arms planned by the Reagan administration next year.

The Soviet Union made such a proposal at the United Nations General Assembly on Oct. 17.

U.S. officials have rejected the move as tantamount to accepting a large Soviet superiority in such weapons.

The United States halted chemical arms production in 1969, and Washington has said its stockpiles are deteriorating and insufficient to meet a growing threat from the Soviet Union.

Western military experts believe that Moscow has maintained an ambitious program of chemical weapons production and training.

They estimate that Moscow has 200,000 to 500,000 metric tons of modern chemical arms, including

Advertisement for The First Georgian Malt Whisky. Features a bottle of Glenlivet 12 Years Old and text: 'The first British monarch known to drink malt whisky was George IV, said to drink "nothing else" but The Glenlivet. Today, Scotland's first malt whisky is also first choice in London.'

Advertisement for Piaget Aldebert watches. Features a Piaget Polo watch and text: 'Lady's watch in 18 carat gold, water-resistant, with extra-thin quartz movement. Instant time-zone change. Other models for men and women with round or square bezel. Tax free for export.'

Chad Leader Says U.S. and France Won't Send Arms

The Associated Press

PARIS — President Hissène Habré of Chad, faced with an attack by Libyan troops in the north, has sought French and U.S. military aid, but none has been forthcoming, he said in an interview published Tuesday.

The attack by the Libyans, confirmed by the Chadian government in N'jamena and by the French, is aimed at wiping out the Popular Armed Forces loyal to the former rebel leader Goukouni Oueddei.

Those forces were formerly backed by Libya but rallied to Mr. Habré's cause in October.

In an interview with the Paris newspaper *Le Monde*, Mr. Habré said, "Because of the very difficult terrain, the long distances, the absence of real roads, we have an enormous logistical problem for getting aid to the fighters in the Tibesti region of northwestern Chad."

He said he had asked Paris for badly needed weapons and vehicles.

"But each time the government says that it is under study and that we must wait," he said.

He said that "the Americans don't answer us either."

Mr. Habré said that Chad needed TOWs, the missiles delivered secretly to Iran, and Stinger anti-aircraft weapons like those delivered recently to rebels in Angola and Afghanistan.

Irish Times Gets New Editor

The Associated Press

DUBLIN — Conor Brady was named Monday as editor of the Irish Times, the most influential newspaper in the Irish Republic. Mr. Brady, 57, a veteran reporter and news deputy editor, succeeds Douglas Gageby, who is retiring but remains on the board of directors.

INTERNATIONAL CLASSIFIED (Continued from Page 15) ESCORTS & GUIDES. Includes listings for various cities like Madrid, Zurich, Geneva, London, and Paris, with contact information for agencies.

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Will He Take Charge?

The argument about whether the Iranian affair is comparable to Watergate is at best a diversion and at worst a trap. It is a trap because the analogy is false and may even induce a kind of complacency, since it would suggest that the current troubles of the administration are in a relatively early stage — the equivalent, say, of March 21, 1973 — and that there is much time for the thing yet to play out. But that isn't time. The most interesting, and distinctive, and alarming, fact about this crisis is that it has reached so advanced a state so quickly.

It is hard to remember a time, except for the very last days of the Nixon presidency, when the uppermost reaches of a government were in such disarray. The President and the vice president, the White House chief of staff and other staff members, the affected cabinet members and presidential counselors and intimates seem not to represent any kind of a whole at all, any entity, any "we," as it is, "this is what we have to do now." They evidently do not share the same interpretation, or in some critical cases even similar interpretations, of what happened, of whether it was right or wrong, of what should come next. There is much high-level knife work, much debilitating anxiety and uncertainty. Life rafts are being readied.

Europe's Balancing Act

The Reykjavik summit meeting, by opening up a new if uncertain prospect of cuts in the superpowers' nuclear arsenals, inevitably drew attention back to the question of what the balance of conventional arms in Europe might then be. This is so because the West has always felt at a disadvantage in conventional forces. Keeping a conventional balance in new nuclear circumstances means, then, one of two things. Either the West must strengthen its own forces or it must find ways to negotiate Soviet forces down. For this, NATO needs a proper negotiating forum. But it needs the same thing if it is to build up its forces: Western publics are most likely to support defense spending if negotiations are open.

Members experience in alliance negotiations. But MBFR has failed in its professed agenda. Far from agreeing on reductions, East and West never got past the first hurdle of agreeing on the number of Warsaw Pact soldiers on the central front, where reductions were meant to take place. NATO now has agreed on a new approach. To bring in France, which rejects bloc-to-bloc negotiations and stayed outside MBFR, NATO proposes to hold new East-West talks under a large umbrella covering all 35 "Europeans" (including the United States and Canada). But Washington wanted a better chance to steer things and make it harder for Moscow to manipulate the West, and for these reasons NATO calls for the actual negotiations to be confined to a NATO-Warsaw Pact inner core.

Being More Like Japan

The rise of the yen over the past year has generated a dramatic increase in Japan's economic power. The stream of investment that Japan sends abroad is, yen for yen, now worth half again as much in terms of American dollars. The higher yen will crimp Japan's ability to export its goods, at least in the short run. But its ability to invest abroad has soared. On balance, the rising yen greatly increases Japan's influence on the world economy.

By Lawrence B. Krass of the University of California at San Diego. America's economy is still much bigger than Japan's, but sheer size will not sustain the influence of a country that depends on a steady flow of other people's money. The United States and Japan have very different ideas about trade. The United States basically believes in free trade, and over the past 40 years has imposed free trade, at least as an ideal, on most of the world. Japan believes in managed trade. As Japan rises in world trade and finance, Mr. Krass suggests, the world's model will increasingly be the one that Japan offers. That means less emphasis on the market and more on very large organizations operating, with the support of their governments, through networks of affiliates.

Other Comment

America's Impetuous Press
A fascinating aspect of the crisis in Washington is the sudden metamorphosis of the U.S. press has undergone in its reporting about Ronald Reagan. For years the media had let themselves be blinded by the president's personal popularity. Television, radio and the press glorified the virtues of "the greatest president since Franklin Roosevelt." His scant knowledge of facts and scant zest for work, as well as his lack of a coherent world view were mentioned, but only in cautious terms. All this has changed.

The Iran affair did more than anything to reveal the hollowness of the Reagan veneration. Almost overnight, he went from being the hero who had restored Americans' self-confidence to a third-rate hypocrite. The media did not lag, throwing themselves eagerly on the president. This sudden impetuosity seems unusual — but it is not for nothing that the press is called the fourth power in the U.S. political system.

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OPINION

The Right Question Has to Do With War

By Stephen S. Rosenfeld

WASHINGTON — Of all the American professors who have tried their hand at national security policy, none seems humbler after the experience, less bent on personal vindication or wiser than Marshall Shulman. He is the Soviet expert who prepped as an assistant to Secretary of State Dean Acheson from 1950 to 1953, and joined the variety policy staff as Secretary Cyrus Vance's special adviser for Soviet affairs from 1977 to 1980.

Mr. Shulman is retiring from running the old Russian Institute (now the Harriman Institute) at Columbia University in New York. A dinner for him the other night was an occasion for tribute and nostalgia, but this warner among diplomats soon broke through to what has been troubling him most for 40-odd years. Ever since America dropped the bomb, Mr. Shulman said, he has been preoccupied by the danger of nuclear war — "the essence of the matter" — and by the requirement it dictates for both powers to understand and manage their rivalry. That task tests not only knowledge but character, because while pursuing its security, America must be true to its values as well.

man "reassured the Soviet Embassy, without any White House knowledge, that [a tough Carter speech] should be viewed primarily as designed for domestic consumption and therefore should not be interpreted as indicating declined U.S. interest in SALT or accommodation." Mr. Rezzieski was at the Shulman dinner. So was George Kennan, who shaped the whole unending argument about the possibility of getting along with the Kremlin by his "X" article of 1947 on how to wage the Cold War: Contain Soviet power for a while, and a "gradual break-up" or "melting" of Soviet power would follow. A generation of containment later, Mr. Shulman wrote a book hopefully entitled "Beyond the Cold War." He looked forward to historical and generational changes within the Soviet Union that might possibly make Mr. Kennan's earlier prophecies come true.

Irangate: From the Pacific, Concern for U.S. Stability

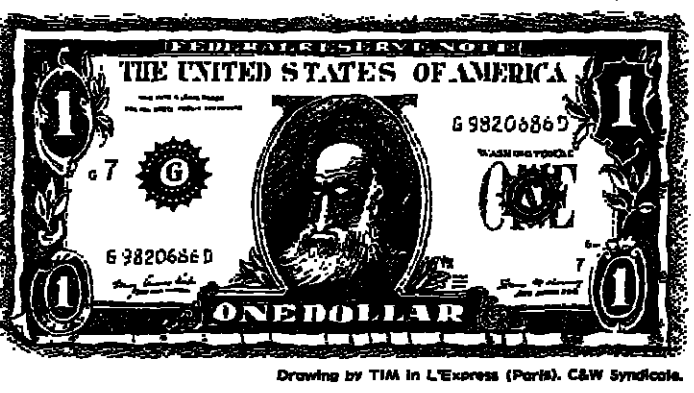
By Michael Richardson

SINGAPORE — The spectacle of the Reagan administration mired in scandal over secret sales of American arms to Iran and diversion of profits to the Contras in Nicaragua troubles non-Communist countries in East Asia and the western Pacific. Those with substantial Moslem populations and a particular interest in the Middle East, such as Malaysia, have said that U.S. conduct was wrong and may only serve to inflame and prolong the Gulf war. But most countries see possible adverse consequences much closer to home. They worry that continuing controversy in Washington will weaken the United States as a force for economic growth and political stability.

The challenge to the Reagan administration's authority from the Iran affair coincides with two developments which, in the view of leaders in the western Pacific, require a strong, undistracted U.S. executive. One is the Asian-Pacific diplomatic offensive launched by the Soviet Union under Mikhail Gorbachev. This drive plays down Soviet military muscle, projecting Moscow as a constructive economic and political partner interested in preserving peace and the status quo. The other is an increasingly protectionist Democratic-controlled Congress, which a discredited Republican president may be unable to resist.

ist Democrat-controlled Congress, which a discredited Republican president may be unable to resist. The newly industrialized countries of the western Pacific — South Korea, Taiwan, Singapore and Hong Kong — expect to be among the first targets of protectionist trade legislation when Congress reconvenes Jan. 6. Bruce Smart, a U.S. undersecretary for commerce, noted Dec. 1 that Japan and the four newly industrialized countries accounted for more than four-fifths of the huge U.S. trade deficit in manufactured goods, "and are blamed for practically all of it."

From Japan in the north to Australia in the south, governments that have benefited greatly since the end of World War II from American military protection, trade, aid, investment and technology are watching with apprehension as the imbroglio unravels in Washington. "There has not been much outspokenness or criticism" in the Asian-Pacific region, said Jusuf Wanandi, executive director of Indonesia's Center for Strategic and International Studies, "because we need a strong U.S. economically and politically."



Drawing by TIM in L'Espresso (Paris). C&W Syndicate.

For Europeans, Fear of a Crisis of Unity

By Jean Daniel

PARIS — Americans have once again shown an admirable passion for getting to the bottom of their president's apparent disregard for the rules of government, inspiring in Europe, and particularly in France, renewed respect for American democracy. Yet we Europeans remain deeply troubled by the way Washington has treated its Western allies during the shadowy Iran affair.

to heed the exhortations coming from Washington. Indeed, a number of America's allies went so far as to forswear financial aid and arms sales to the states described as terrorist. So the revelations of the McFarlane mission have had the effect of a bombshell. Still, most of those scolded in the past are far less concerned about whether the president has bypassed Congress than about whether America has been behaving in a manner completely at odds with the policy it recommends and occasionally tries to impose on its allies.

No one in Europe reproaches Washington for its concern about the post-Khomeini era; no one doubts the enormity of the geopolitical stakes. Most Europeans are even prepared to be fairly tolerant of the decision to help one of the belligerents in a devastating war. Europeans understand the demands of realpolitik. But the way in which the McFarlane mission was conducted seems to justify the feelings of those Europeans who say that America is often less than open with its allies. Thus, the Iran-contras affair is sure to launch a great debate in European capitals. It can only add weight to the argument, first aired by Charles de Gaulle, that America's allies must never completely trust Washington.

Doubts of an Old Friend of Bill Casey

By William Safire

(Editor's note: This column appeared in The New York Times on Monday, before William J. Casey was hospitalized for a cerebral seizure.)

WASHINGTON — Let me tell you why I'm scratching my head about my old friend William J. Casey, the CIA director. In the first Nixon presidential campaign, in 1960, Bill Casey was known to be the ever-resourceful law partner of Lee Hall, the genial GOP chairman. I would write some glib-kicking ad and trust to Casey to set up the committee to sign it. After the defeat, I found myself blessed with the friendship and business-political loyalty of an amazing trio: Casey, his partner Jack Wells (later Nelson Rockefeller's political manager) and their client, the maverick international oilman John Shabeben. The three shared a zest for combat, a joy in adventurous enterprise and a fierce personal loyalty.

Against that backdrop, we now consider his present story. He is telling the Congress that he was approached Nov. 7 of this year by Roy Furman, whom he had not seen for six years. After Shabeben's death, Roy became a partner of the Saudi arms dealer Adnan Khashoggi. Casey says Furman passed word that bilked Canadian investors would soon blow the whistle on the secret arms deal. Casey is testifying that he went immediately to John Poindexter to say that "the security of the operation is at risk." But the national security adviser was on his way to Iceland for the summit; on his return, Casey recommended that Poindexter consult White House counsel. (That would be Peter Wallison, the late Jack Wells's protégé.) Instead, Poindexter consulted the military side who was acting as NSC counsel, who kept mum.

The writer, editor of Le Nouvel Observateur, a weekly magazine, contributed this comment to The New York Times.

LETTER

Shifting the Focus

Patrick J. Buchanan's "Yes, Ollie North Is an American Hero" (Dec. 11) is the kind of manipulative communication that we are used to from the Reagan White House: tugging around the facts, missing the point, and trying to rally support behind the president's policies by playing on loyalty and patriotism, no matter how misguided the policies may be. The real issue here is a stupid attempt at foreign policy that not only was illegal, but was embarrassing for its inconsistency vis-à-vis the allies.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: England 'Enslaved'
TEHRAN — Sir Edward Grey's recent speech is interpreted here to mean that England has agreed with Russia to destroy the Constitution and establish a protectorate over Persia. This in itself is contrary to English interests, it means Russia's approach to India and the Persian Gulf. But English policy, as directed by Sir Edward Grey, is dictated by fear of Germany. English policy in fact no longer exists. Sir Edward Grey merely carries out the orders of Paris and St. Petersburg. He is so busy preventing Germany from looking over the wall that he allows Russia to steal the horse. He declares Germany must not establish a hegemony in Europe, and to prevent it enslaves England to France, Russia thereby creating a hegemony more immoral and ruthless than any German ascendancy.

For Israel, Life Doesn't Get Better

By Flora Lewis

JERUSALEM — The Israeli government has "rotated," fulfilling the improbable 1984 agreement to trade political power in midterms. But nothing much has changed. Likud's Yitzhak Shamir, now prime minister, and Labor's Shimon Peres, now foreign minister, ostensibly disagree on all the main issues. But they have settled down to what amounts to a stalemate, and no one expects fireworks or even real initiatives. Some Israelis even say the National Unity government may go on indefinitely, beyond the 1988 elections, because people are fed up with abrasive partisan politics and do not want to face big questions anyway. As writer Amos Elon points out, the one thing on which the two leaders say they agree is electoral reform to permit the emergence of strong government without reliance on the small religious parties. But there is no sign of them doing anything about it.

"There is a curious symbiosis between the two," said one official. Another said, despairingly, "There's a bipartisanship now, no state crisis and no policy." At the Foreign Ministry, there is still a talk of the "peace process," but without any evident conviction that talks can be launched with Jordan's King Hussein and Egypt's President Hosni Mubarak that might lead to real negotiations.

So change comes creeping, quietly, piling up pressures that will explode later, on somebody else's watch. Recent violence in Jerusalem and the West Bank has not really been worse than in other years. Events come and go, losing sparks of hatred that then subside beneath the surface, permitting a renewed illusion of calm and general order. Jerusalem looks better than ever, with fine new buildings and charming new parks. Says its indefatigable, warmhearted Mayor Teddy Kollek, "I've done all well with stones and trees." But then his smile fades as he adds, "I wish I could say the same about people."

The city is almost as segregated as when it was divided by an armed frontier and a barbed wire no-man's-land. You cannot easily see where the border was, but people know and do not generally mix. Antagonism between the two societies living under the power of the Jewish state is deepening and hardening.

"I have a hidden map in my mind of where I can go and where I can't go with my children," said Yehudah Litali, 43, grieving for the dream which brought his grandfather from Eastern Europe at the age of 19 to help found a liberal Jewish state. He writes for the Jerusalem Post about the relations between Arabs and Jews, which he finds perfunctory, not always hostile, but without promise for the hopes of either one on the horizon.

He has been to Cyprus, to the Basque country and to Northern Ireland to see how other people cope with harsh division. He came home to recognize what he called the "Belfastization" of his own country.

As in Belfast, the violence is so extreme by the other, not with any thought of jolting people into change. Mervyn Benvenisti, the superbly well informed scholar of West Bank affairs who is brushed aside here as a prophet of doom because he dares to look at what he learns, has concluded that the very idea of trading "peace for territory" has been overtaken. So there is nothing left for Israelis and Palestinians to negotiate.

All that King Hussein could negotiate in his view, is some kind of interim agreement to keep instability on the West Bank from spilling over and destabilizing Jordan. But such talks are not likely to materialize because the King will not and cannot engage them by himself, and no representative Palestinian leadership exists or can emerge to support him.

Even the question of further Israeli settlements on the West Bank is no longer much of an issue; 85 percent of the settlers live in towns, and Mr. Benvenisti says 45 percent are "yuppies," middle-class suburbanites who commute to Israeli cities and live to totally within the Israeli system. A few more or less does not change the frozen dynamics. The map may change a bit, but the communal division is too deep and ever more complex.

Leaders are essentially marking time, trying to patch the daily wear and tear. The view of the future, which was once what Israel was all about, has dimmed and shortened.

Most people, looking to the moment, find that acceptable. Each day goes by as it goes. For the Israelis there is no catalyzing vision or catalyzing fear. For the Palestinians there is mounting frustration. Things could be worse, and probably will be because they aren't getting any better.

The New York Times.

1936: Raids in Spain
MADRID — Five rebel bombers and 14 fighter planes raided Madrid (on Dec. 16). At least four persons were killed and 200 wounded in Tetuan, the workers' suburb, which suffered heaviest. The bombardment left the suburb a scene of desolation. Two blocks of workmen's houses and two apartment houses were blown sky high by six bombs weighing 40 kilograms each. The bombs fell square on the buildings and left nothing more than a heap of wreckage under which [about] 50 people, chiefly women and children, were buried. PERPIGNAN, France — Four Junker planes belonging to the Spanish insurgents and coming from the Balearic Islands dropped 20 bombs on the Spanish frontier station of Port-Bon, interrupting railway traffic between France and Barcelona.

U.S. Is Reported Ready To Offer Debt Relief on Military Loans to Allies

By David B. Ottaway
Washington Post Service

WASHINGTON — The Reagan administration is about to announce a plan that will provide hundreds of millions of dollars in short-term military debt relief for its primary allies, according to administration sources.

The plan, worked out mainly by the State and Treasury departments, will allow 38 countries that collectively owe the United States \$15 billion to \$16 billion under the Foreign Military Sales Program to choose between paying off their debt now or refinancing it at a much lower rate.

Drawn up after months of inter-agency wrangling, the plan would allow Israel to defer the payment of \$200 million, and Egypt almost as much, in each debt due this year alone. Israel would be able to defer \$300 million annually over the next three years, according to sources.

Israel and Egypt, both economically strapped countries, have been lobbying the administration since last year to find a way to reduce the military debt burden. Israel owes \$3.5 billion and Egypt \$4.5 billion.

In Egypt the military debt is 11 percent of the country's total debt load and has become a dominant issue in U.S.-Egyptian relations. President Hosni Mubarak has sent several high-ranking emissaries to Washington recently to press for an early decision.

Mr. Mubarak had been promised an answer by the end of October and has been poised several times to come to Washington himself to ask for debt relief.

One source said he understood that the administration would make an announcement on the debt relief plan Wednesday.

The main problem for the ad-

ministration in seeking a debt relief plan has been to come up with one that would neither cost the Treasury a loss of income nor require congressional authorization taking months to obtain, according to U.S. officials familiar with the debt refinancing plan.

The officials said that the administration will offer countries saddled with Foreign Military Sales debt one of two options. Under the first, called the "prepayment-as-pair" option, a government could decide to pay off its entire debt now, together with all accrued interest. The administration would then "forgive" the loss to the Treasury of future interest payments on outstanding loans.

Countries that might elect this option are Turkey, with a \$1.4 billion debt; Korea, with a \$740 million debt, and Spain, with a \$617 million debt.

Under the second option, known as "capitalization of interest," foreign governments would be allowed to refinance their military debt to include a reduction in old interest rates, often running at more than 10 percent, to the current commercial level of 7.5 percent.

In the case of Egypt, the rates are 12 percent to 14 percent plus an additional 4 percent it has been paying as a penalty on delayed repayments.

What governments owe as a result of the interest rate reduction would be turned into new debt financed at the rate of 7.5 percent. The governments would then pay off the entire military debt at the end of the loan rather than by year.

Among the countries expected to choose this option are Israel, Egypt, Pakistan, Morocco and Tunisia.

The cost to the Treasury of this proposal remains unclear but would appear to depend on how many governments choose the first option of paying off their Foreign Military Sales debt immediately.

One administration source said that if all countries that are believed financially capable of doing so paid off their debts now, the Treasury would be paid about \$1 billion to \$2 billion this fiscal year.

The anticipated loss of income this year from countries expected to defer repayment is \$500 million to \$600 million, he said. After two years, there would be no gain or loss, and thereafter the Treasury would lose money — possibly more than \$1 billion a year — until the loans were paid off, he said.

Kohl's Party Takes the Offensive as Elections Near

By James M. Markham
New York Times Service

BONN — Chancellor Helmut Kohl's Christian Democratic Union has started to sound triumphantly anti-Communist and faintly nationalist as it seeks a major victory in January's general election.



Franz Josef Strauss, left, talking with Helmut Kohl at a gathering of Mr. Strauss's party.

NEWS ANALYSIS

With the left-of-center Social Democratic Party in considerable disarray, the conservative Christian Democrats are moving to rally and consolidate alienated right-wing supporters. The sharper polemics serve this goal.

But some German commentators contend that the campaign oratory is simultaneously encouraging a revisionist view of history that seeks to bury memories of the Nazis' crimes, encouraging the emergence of a more self-confident West Germany.

It is not by accident that some of the sharpest language has come from Franz Josef Strauss, the rightist Bavarian premier. Although Mr. Strauss's Christian Social Union, a sister party of the Christian Democrats, won nearly 56 percent of the popular vote in state elections in October, it was unsettled by the surprisingly strong showing of an upstart far-right formation called the Republicans.

The Republicans, campaigning on an openly nationalist and anti-Communist platform, won 3 percent of the vote and are fielding candidates again in Bavaria for parliamentary elections Jan. 25.

Mr. Strauss would like to see the Republicans tamed.

Mr. Strauss recently declared that guilty preoccupation with the Nazi past would "lame a people."

"So it is wrong that the Germans must always be regarded as the world's whipping boy," he continued. "We are a normal, sound, productive nation that had the bad luck to twice have had politics at the top of their country" — an allusion to the two world wars.

Giving his listeners a history lesson, Mr. Strauss said that without the punitive Versailles treaty and the mass unemployment of the late 1920s Hitler would have never come to power.

In speeches last month, Mr. Kohl was unusually tough about East Germany, saying the Communist state was run by a "system that is an enemy to man." He said that his government was not about to recognize the citizenship of a "system that tramples on human rights in the other part of Germany."

In recent weeks the Soviet press has belabored Mr. Kohl for having, in a magazine interview, compared the propaganda skills of Mikhail S. Gorbachev with those of the Nazi rabble-rouser Joseph Goebbels. But one of the chancellor's top aides, Wolfgang Schaub, is reported to have counseled the chancellor against writing Mr.

Gorbachev an apology for the remark, saying it would be taken as a sign of weakness.

A week ago, Heiner Geissler, the Christian Democrats' sharp-tongued general secretary, went on the offensive and openly accused the Soviet Union and East Germany of trying to win votes for the Social Democrats and the Green Party, which opposes the North Atlantic Treaty Organization.

"I demand that, in the interest of continuing the policies of détente, the Soviet Union avoid giving the impression that it is mixing in the German election campaign," Mr. Geissler declared

to heavy applause. "I also urge Germans not to allow themselves to be put under pressure and not to vote for the party that is the most comfortable for the Soviet Union, but to vote for the party that most rigorously represents German interests, that is, the CDU."

The occasionally shrill tone of the Christian Democrats' campaign is explained, according to party sources, by an awareness that the Social Democrats' disarray does not necessarily mean more votes for Mr. Kohl's party.

There is concern that the principal beneficiaries might be the small Free Democratic Party, junior partner in the Bonn coalition, and the environmentalist Greens.

Another symptom of the Christian Democrats' rightward drift is a kind of political guerrilla warfare being conducted against President Richard von Weizsäcker, who is himself a party member. Right-wingers in the party have remained bitterly unhappy with a speech Mr. von Weizsäcker gave to the legislature last year on the 40th anniversary of Nazi Germany's surrender.

In his speech, Mr. von Weizsäcker urged Germans not to forget the Nazis' crimes and asserted that many Germans knew about the mass killings of Jews and others.

Alfred Dregger, the Christian Democrats' right-wing floor leader, insisted recently that he and other soldiers "did not know what was happening behind our backs."

Serge Lifar, Russian-Born Dancer, Dies In Lausanne

The Associated Press

LAUSANNE, Switzerland — Serge Lifar, the Russian-born dancer and choreographer who revolutionized French ballet, died Monday at a Lausanne hotel. Mr. Lifar was 81.

He had been ill for about a month with what was believed to be cancer, said the spokeswoman at the Beau Rivage hotel.

Known as a temperamental perfectionist, Mr. Lifar came to France in 1923, having left Russia as a refugee after the Bolshevik revolution.

The same year, he joined Sergei Diaghilev's Ballets Russes in Paris. With Vaslav Nijinsky, An Dolin and Leonide Massine, Mr. Lifar toured Europe in the 1920s and was hailed for such person triumphs as "The Prodigal Son" and George Balanchine's 1929 creation "The Four Seasons."

He was the principal dancer in a ballet-master at the Paris Opéra from 1930 to 1958, interrupted by a three-year stint at the Monte Carlo Ballet from 1945 to 1947.

In 1958, he left the Paris Opéra saying he did not want to preside over "athletic ballets" favored by his superiors.

His last ballet was staged in 1976 in Lausanne.

Mr. Lifar was born Jan. 13, 1895 in Kiev. He discovered ballet most by accident in 1920 when he happened into the studio of Nijinsky's sister, known as Nijinska, then ballet master at the Kiev Opera. He became one of her most brilliant students.

His choreography debut was 1929 production of Stravinsky's "Le Renard." Many others followed, including works by Prokofiev, Milhaud and Debussy.

Mr. Lifar was among the first to proclaim the independence of dance from music and in 1935 choreographed "Leare," a ballet in which the rhythm was provided solely by percussion instruments.

His career was punctuated with controversy. In a fit of rage he once challenged the Marquis de Cuevas, close friend, to a duel with épée after being wounded in the arm. Mr. Lifar embraced his rival and they resumed their close relationship.

At the end of World War II, Mr. Lifar faced charges that he had collaborated with German forces occupying Paris.

Though he was cleared, his performances were often marred by boos and even strikes.

44 in a Banned Group Are Arrested in Egypt

New York Times Service

CAIRO — Security forces arrested 44 members of a banned Communist group accused of plotting revolution, Egypt's Middle East News Agency reported Tuesday. The national news agency said the arrests were made Friday in various parts of Cairo.

The semi-official newspaper al-Ahram reported in early editions of Wednesday's paper that 23 of those arrested belonged to the banned group called Revolutionary Stream. The group's leader, the paper said, was a university professor.

Russian Backed by Gorbachev Gets Kazakh Post

By Philip Taubman
New York Times Service

MOSCOW — A long-standing member of the Politburo lost his position as a regional party chief Tuesday in a further consolidation of power by Mikhail S. Gorbachev.

In a pointed break with tradition, the official, Dinmukhamed A. Kunayev, was replaced as first secretary of the party central committee in Kazakhstan by a Russian rather than a Central Asian.

Mr. Kunayev's removal from the Politburo, which seems assured by the move Tuesday, is seen by Western diplomats and Russians as a key test of Mr. Gorbachev's ability to complete the recasting of the Kremlin leadership that he began shortly after assuming power in March 1985.

Mr. Gorbachev has replaced

dozens of top party and government officials, but there has been tenacious resistance to some of his policies and the pace of personnel changes has slowed somewhat in recent months.

One of the last holdovers on the Politburo from the early years of the era of Leonid I. Brezhnev, Mr. Kunayev managed to cling to power for 20 months under Mr. Gorbachev despite sustained criticism of the Kazakh party and economy by the central authorities in Moscow.

His durability made him something of a hero to the old guard and he seemed to enjoy the longevity after unexpectedly surviving the party congress earlier this year. He could be seen smiling and often bantering with colleagues during tedious party meetings.

Mr. Kunayev, 74, became a non-

voting member of the Politburo in 1966 and was made a full member in 1971. Only one other full member, Vladimir V. Shcherbitsky, the Ukrainian party leader, has served on the Politburo longer.

A full meeting of the Central Committee is expected next week, and Moscow is swirling with rumors about other changes, including the possible retirement of President Andrei A. Gromyko.

The removal of Mr. Kunayev was announced by the Tass press agency in a brief dispatch that said a full meeting of the Kazakh Central Committee on Tuesday "re-evaluated Dinmukhamed Kunayev of his functions as first secretary in connection with his retirement."

Named to replace Mr. Kunayev as party leader was Gennadi V. Kolbin, a fast-rising party official

who has made a specialty of imposing Moscow's will in other regions.

Diplomats said his selection was the first time in their memory that a Russian was named to head a republic party organization instead of a native of the republic.

The choice of Mr. Kolbin, the diplomats said, was a sign of Moscow's inability to groom an acceptable Kazakh successor during the Kunayev era and of Mr. Gorbachev's faith in Mr. Kolbin.

Mr. Kolbin, 59, repeatedly has been singled out for praise in the press for successfully enforcing Mr. Gorbachev's campaigns against corruption and alcoholism.

In recent years Kazakhstan has come under heavy criticism for inefficiency and corruption, as well as disappointing harvests and lagging industrial production.

Suriname Is Said To Violate Rights

The Associated Press

WASHINGTON — Secretary of State George P. Shultz accused Suriname's military government Tuesday of engaging in "gross violations of human rights" and called for a restoration of democracy in that country.

Another official, who spoke on condition of anonymity, said that "atrocities bordering on genocide" were committed during a military offensive two weeks ago in eastern Suriname, which has been dominated by a rebel group. Estimates of the death toll range from 50 to 180, the official said. Suriname said is forces acted in self-defense.

Mr. Shultz said that the U.S. ambassador, Robert Barbour, had cited reports of "brutality, of what amounts to murder, of gross violations of human rights."

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Syria Is Not Expected To Match Israel Military In Foreseeable Future

By John Kifner
New York Times Service

QUNEITRA, Syria — Western diplomats based in Damascus say Syria appears unlikely to be able to achieve its stated goal of attaining strategic military parity with Israel in the foreseeable future.

"The Israelis and the Syrians are simply on two different escalators," a diplomat said. "They're both going up, but one, Israel, is going up much faster."

Israeli officials have expressed fears that Syria is trying to approach military equality. They have cited several factors, including a speech by President Hafez al-Assad in February in which he declared strategic parity as a goal, and the replacement by Moscow of Syrian fighter planes and surface-to-air missiles destroyed during the Israeli invasion of Lebanon in 1982.

"A clash with Syria within the next two or three years is unavoidable," General Yossi Peled, chief of Israel's northern command, said in October.

But Mr. Assad's speech also urged a drive for parity with Israel in such spheres as education and the industrial base, and he in effect conceded that Syria had a long way to go.

Here on the Golan Heights, where a handful of United Nations

peacekeeping troops police a withdrawal line between Syria and territory that Israel won in 1967 and annexed in 1981, there is no indication of a Syrian buildup.

The huge masts, antennas and radar disks of an Israeli observation post loom atop a hill beyond the barbed wire in Quneitra, 40 miles (65 kilometers) southwest of Damascus. But there is little other sign of life as a cold, early-winter wind sweeps off Mount Hermon, over the flattened buildings that the Syrians have kept in place as a sort of monument.

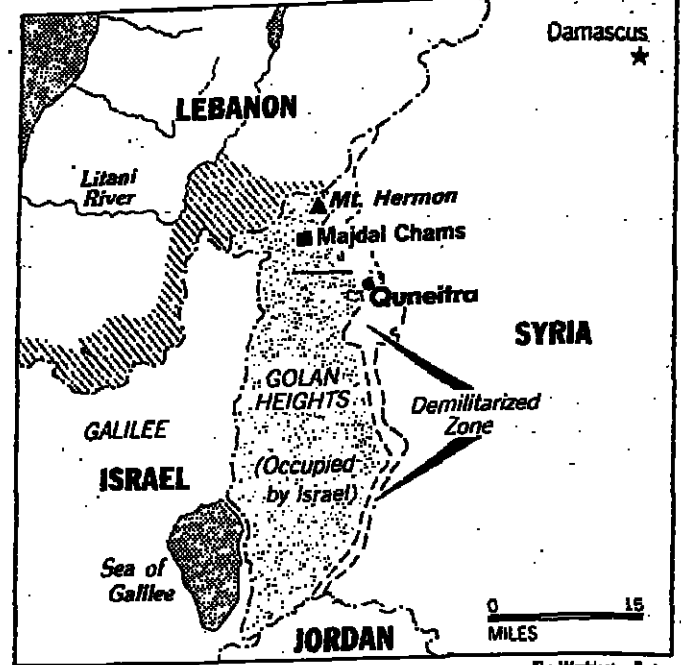
Recent Syrian troop deployments in the Bekaa region of eastern Lebanon and elsewhere have been basically defensive, experts said.

"The bottom line is, this is not a country ready to go to war," one expert said.

The experts drew a sharp distinction between quantitative and qualitative parity, the difference between the amount of military assets amassed and the ability to use them effectively.

Thus, military experts here say they believe that while in terms of tanks, guns, planes and other quantifiable military assets Syria appears close to Israel, there is still no real comparison.

The importance of the numbers of tanks, guns and planes, the mili-



tary experts believe, recedes in view of the human factors of superior Israeli military organization, spirit and efficiency.

Syria's problems, these experts believe, lie not only in the question of its army's ability to fight, but also in its ability to sustain a battle in terms of national will, logistics and materiel.

"They have difficulty in particular in their ability to use sophisticated weapons and in their command and control structure," a Western diplomat said.

Military experts estimated that quantitative parity might appear to be achievable in five years, but one expert said, "Parity in any mean-

ingful sense is at least a generation away."

The main new weapons the Syrians have acquired are SAM-23 surface-to-air missiles placed within their own borders, which have become a significant constraint on Israeli overflights in the area.

Syria lost 88 planes in its brief involvement in the Israeli invasion of Lebanon in 1982, many of them in the first few days.

The Soviet Union has since replaced those planes, but with the same MiG-23s and now-obsolete MiG-21s, which are not comparable to the American-built F-15s and F-16s flown by the Israeli Air Force.

South Africans Celebrate — but Apart In Lebanon, A Setback For Truce

By Alan Cowell
New York Times Service

JOHANNESBURG — In moods that varied from the subdued to the boisterous, South Africans of different races celebrated a day of contradictory anniversaries Tuesday, marking the supremacy of white power for some and, for others, the beginnings of violent attempts to overthrow it.

In Soweto, Johannesburg's sprawling black satellite, some resi-

dents lit candles in response to a call for a Christmas campaign opposed to emergency rule. In Cape Province, Andries Treurnicht, leader of a breakaway party to the right of the government, told followers at a public meeting that the anniversary "signified the right of the Afrikaners to freedom and self-determination and to defend these by means of an armed struggle if necessary."

Dec. 16 is a day filled with conflicting symbols for black and white. On that day in 1838, Afrikaner pioneers led by Andries Pretorius, trekking inland, defeated a Zulu army under Dingane at the Battle of Blood River in Natal Province after making a covenant with God that, should victory be theirs, they would hold the day holy. It has come to be viewed as a turning point in the history of the 2.8 million Afrikaners.

Also on Dec. 16, 25 years ago, black nationalist insurgents struck the first blows of a guerrilla campaign that persists to this day.

On Dec. 16, 1961, sabotage teams of the African National Congress and its now-imprisoned leader, Nelson Mandela, bombed three government offices in the Johannesburg area. It was the start of a series of more than 200 explosions over the subsequent 18 months.

While 1,000 Afrikaners gathered at their holiest shrine — the Voortrekker monument — to celebrate the Day of the Vow, however, a black campaign set to begin at the same time seemed subdued in tone, reflecting the authorities' increased readiness to silence black protest.

The main guerrilla group, the Soviet-armed African National Congress and its military wing, is outlawed, and its headquarters is in Lusaka, Zambia.

Anti-apartheid groups had urged that church bells be rung at dawn

Tuesday to mark the start of a separate, 10-day "Christmas against the emergency" campaign.

Weighted under new emergency regulations outlawing virtually all residual form of black protest, however, many segregated, black townships seemed subdued. With

South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.

the exception of militant areas in Soweto and Fort Elizabeth, few bells rang.

Some reports from priests in Soweto who declined to be identified said some churches were disassembled from ringing their bells.

The Christmas campaign had initially enjoined blacks to boycott white-owned stores in central Johannesburg, light candles in their homes, pray for the release of detainees and avoid festivities in a display of anti-apartheid unity.

The authorities, in a daily bulletin of authorized news about the nation's 28 months of crisis, said, meanwhile, that a white soldier was seriously wounded Monday when a patrol came under fire in Johannesburg's Alexandra township.

The authorities also authorized news that Jo Beall, a lecturer in African studies at the University of Natal in Durban had been seized under security legislation permitting virtually indefinite detention without trial or charge. The reasons for Miss Beall's detention were not immediately known.

Since September 1984, about 2,300 people, most of them black, have died in political violence.

2 Syrian Diplomats Defy Ban, Enter West Berlin

By James M. Markham
New York Times Service

BONN — Two Syrian diplomats who defied a ban on crossing into West Berlin were arrested by the police and, after being photographed and fingerprinted, returned to East Germany.

The ban was announced by three Western allies last month after a West Berlin court implicated the Syrian mission in East Berlin in a bombing at an Arab club in West Berlin on March 29.

The three allies, the United States, Britain and France, named 34 Syrians linked to the embassy and announced the measure in the name of the Kommandatura, which until it was abandoned by the Soviet Union in 1948, nominally governed a unified Berlin.

American diplomats said that in both incidents, on Dec. 11 and again on Tuesday, the diplomats, accredited to the Syrian Embassy in East Berlin, crossed into the western sector by car through Checkpoint Charlie.

The first to defy the ban, Tewfik

Sermayati, identified himself as a commercial attaché and said he was going to pick up people at Tegel Airport in West Berlin.

He was photographed and had his fingerprints taken and documents he was carrying were photographed.

Mr. Sermayati signed a document acknowledging that he was being expelled from "greater Berlin" as "an unwanted person," language that was initially adopted by the allies in World War II.

Mr. Sermayati was returned to East Germany through a crossing at Heerstrasse that leads into East German territory, but not into East Berlin. By taking him to this crossing, the allies made the point that he was being expelled from Berlin, which is theoretically still under four-power control.

The Syrian who attempted to enter West Berlin on Monday gave his name as Fouad Zaaboub, saying he was a member of the embassy's administrative section.

Mr. Zaaboub was given the same treatment as his colleague.

Urban League Planning 7-Month Ad Campaign

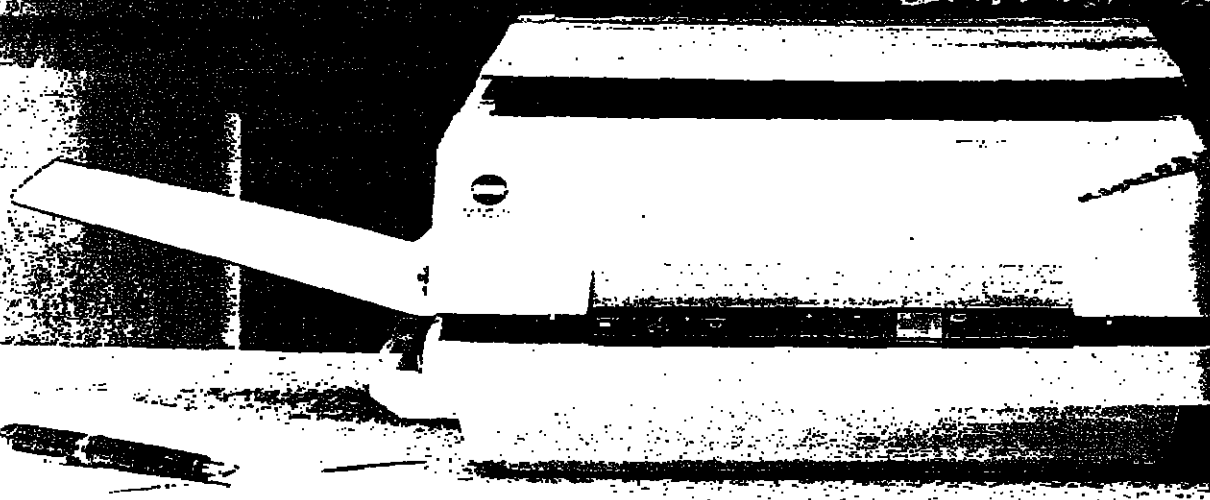
The Associated Press

NEW YORK — The National Urban League announced Tuesday a seven-month campaign of radio, television and print advertisements offering help to old people and to black youngsters who are jobless or pregnant.

The league's president, John Jacob, said the ads would publicize Urban League programs for old people who feel useless, for pregnant teenagers who account for 50 percent of girls who drop out of school, and for unemployed young blacks.

BUSINESS PEOPLE
IN THE FUTURE
WEDNESDAY, FEBRUARY 1987
FOR THE LATEST NEWS ON CORPORATE
MANAGEMENT CHANGES—WORLDWIDE

BEAUTY WITH BRAINS.



There are two ways of looking at the new EP50 Minolta Micro Copier.

On the one hand, it's a beautifully designed little machine that sits easily on any desk and complements any office.

On the other hand, it's a technological marvel with all the

brainpower needed to make it big in modern business. Easy to operate and maintain, the EP50 combines outstanding reliability with class-beating economy. And now, with five different colours to choose between, you can experience Minolta's famous copy quality in blue, red, green or

sepia in addition to black.

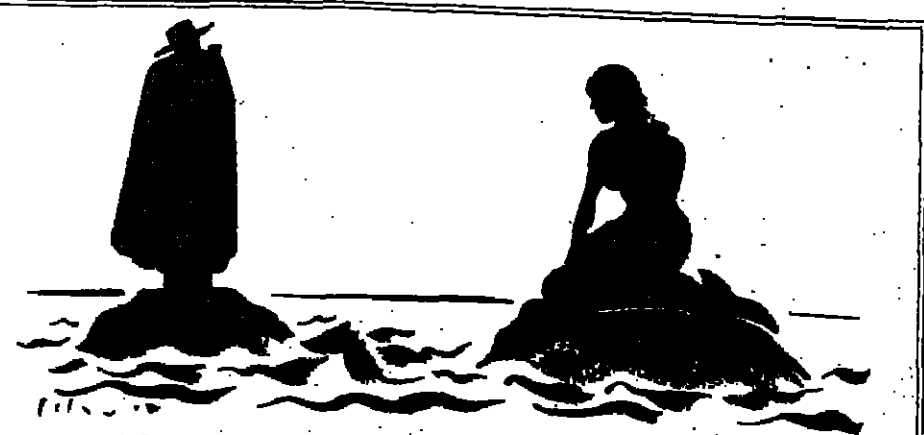
Why not call your nearest Minolta representative for more information about our EP50 Micro Copier?

He'll prove to you that with Minolta, beauty is much more than just skin deep.



THE NEW EP50 MINOLTA MICRO COPIER.

Minolta Camera Handelsgesellschaft mbH, Business Equipment Division, In den Kolkwiesen 62, D-3012 LANGENHAGEN 1, Tel (0511) 77000.



SANDEMAN FOUNDERS RESERVE PORT
NO LONGER RESERVED TO THE ENGLISH.

ARTS / LEISURE

Guitarist Clapton: 'A Lot Left for Me to Discover'

By Mike Zwerin
International Herald Tribune
PARIS — The shy, romantic, 35-year-old English boy...

His first vocal hit, "Layla," was followed by heavy personal problems. The 70s were pretty much a lost decade for Clapton...

more. I don't practice at all, I don't enjoy playing by myself. I get bored. I'd rather go out and jam...



Eric Clapton

During a short period with John Mayall, he honed his sensitive single-note style, pushing it with fuzz-tone and feedback...

Now he has the air of a serene older statesman answering questions about his life and work...

On playing music: "I put myself in different environments. That way music can still surprise me."

After seeing Clapton "change the color of the atmosphere" at a concert, Townshend was somewhat stunned to hear himself tell him, "Well, it's true after all these years, Clapton is God."

Hopkins Impressive as Mad 'Lear'

By Robert Cushman
LONDON — We have waited 23 years for "King Lear" to come to the stage of the National Theatre...

her son's death in the struggle though she favors us with a private tear to show she has a heart, and in the end the other characters seem to be looking to her to make the revolution single-handed...

When I was a Girl I Used to Scream and Shout, a Fringe success now transferred to the Whitehall, is about growing up on the Scottish coast in the 1950s, investi-

gating sex with your best friend becoming pregnant to spite your mother who wants to go away with a last-chance lover...

DOONESBURY



NYSE Most Actives table with columns for stock symbols, volume, and price changes.

Market Sales table showing volume and value for various market categories.

NYSE Index table showing various market indices and their values.

NYSE Diary table listing market events and their dates.

Dow Jones Bond Averages table showing average values for different bond categories.

AMEX Diary table listing market events for the American Exchange.

NASDAQ Index table showing various market indices for the NASDAQ exchange.

AMEX Most Actives table showing the most active stocks on the American Exchange.

Dow Jones Bond Averages table showing average values for different bond categories.

NYSE Diary table listing market events and their dates.

Odd-Lot Trading in N.Y. table showing trading volume for odd-lot transactions.

Dow Jones Averages table showing average values for different market categories.

Standard & Poor's Index table showing various market indices and their values.

NASDAQ Diary table listing market events for the NASDAQ exchange.

NASDAQ Index table showing various market indices for the NASDAQ exchange.

AMEX Stock Index table showing the average value of stocks on the American Exchange.

NYSE Most Actives table showing the most active stocks on the NYSE.

NYSE Prices Gain in Final Hour article with a large table of stock prices and market data.

NYSE Most Actives table showing the most active stocks on the NYSE.

NYSE Most Actives table showing the most active stocks on the NYSE.

NYSE Most Actives table showing the most active stocks on the NYSE.

Dining Out section featuring restaurant listings for Paris 1st, 4th, 5th, 6th, 16th, and 17th arrondissements, including La Ferme Irlandaise, Le Gaudriole, Les Ursins Dans Le Caviar, Parshibi, Chez Tante Louise, Ludmila Pavillon Russe, Congrès République, Shogun, and North Beach Restaurant.

Statistics Index table with columns for various market indices and their values.

WEDNESDAY, DECEMBER 17, 1986

Page 9

INTERNATIONAL MANAGER Sleep Studies Seek to Make Shift Work Less Nightmarish

The first of two articles. By SHERRY BUCHANAN. International Herald Tribune. LONDON — Ignoring the biological clock has costs for the individual and the company.

Ignoring body rhythms can cause errors, illness.

So far, 60 U.S. companies, including Control Data Corp., Federal Express Corp., Mobil Corp., Exxon Corp. and Procter & Gamble Co. have hired chronobiologists to help them keep people awake at work.

According to research by Don Tepas, professor of psychology at the University of Connecticut, permanent shift workers, after years on the night shift, still slept only between five and six hours a day.

Research conducted at Harvard Medical School by the chronobiologist Charles A. Czeisler and by Dr. Moore-Ede shows that workers shifting clockwise, (day, evening, night) adapt much faster than workers shifting counterclockwise, (day, night, evening), a system that many U.S. companies use.

Other research at Harvard indicates that frequent changes of shift, a system widely used in France, don't give workers time to adjust. According to the research, only 8 percent of those on night shifts for long periods had trouble keeping awake on the job, whereas 60 percent did when they rotated weekly.

Research by Argonne's Mr. Ehret on animals shows that teaching people to eat and drink the right things at the right time, and to sleep at the right time, can help shift workers adjust.

But the best advice in terms of the individual's body rhythm may conflict with how shift workers actually live.

See SLEEP, Page 11

Fahd Asks Oil Chief To Resign

Quota Stalemate Hampers OPEC

GENEVA — Saudi Arabia's King Fahd fired the head of his state-owned oil company on Tuesday, while in Geneva OPEC oil ministers struggled to break a stalemate over production quotas for Gulf War enemies Iraq and Iran.

Radio Riyadh reported that King Fahd asked Abdul Hadi Taher, the governor of the state-run oil company Petromin since 1962, to resign but gave no details.

Ministerial sources said Mr. Taher arrived in Geneva on Monday night to meet Hisham Nasser, the acting Saudi oil minister, and other delegates.

The sources said Mr. Taher had been fired as part of an internal housecleaning following the Oct. 29 dismissal of Sheikh Ahmed Zaki Yamani as oil minister.

Mr. Nasser, meanwhile, met privately Tuesday with his Iranian counterpart, Gholamreza Aghazadeh, to try to persuade Iran to drop its demand that its quota be greater than Iraq's.

A full session of the 13 oil ministers was postponed at the last minute until Wednesday, OPEC officials gave no reason for the change.

But Ecuador's oil minister, Javier Espinosa Teran, indicated Iraq was holding up agreement.

BP's Firm Hand at Standard Oil

Horton Admits The Future Holds Major Problems

By Lee A. Daniels, New York Times Service

NEW YORK — Standard Oil Co.'s new 45-story headquarters rises dramatically above Cleveland to scan Lake Erie and the Ohio plains — a powerful symbol of Standard's historic status as the cornerstone of the Rockefeller family fortune, and, arguably, the American oil industry.

But Standard's status in the oil world, and its financial health, have slipped markedly in recent years. Its stock has done relatively well despite falling oil prices because of its extraordinary oil holdings and because of the support of British Petroleum Co., which owns 55.5 percent of the company.

With this year's plunge in oil prices, BP decided that drastic change was in order, and in February it named Robert B. Horton, a 46-year-old BP executive, to head the Cleveland-based company.

The decision was unusual, because Mr. Horton, a managing director of the London-based petroleum behemoth, had no hands-on experience in the U.S. oil industry.

At stake for Standard are the holdings and earnings stream that made it the ninth-biggest U.S. oil concern — end, not insignificantly, the pride and prestige that come from being the very first of the oil companies established by John D. Rockefeller around the turn of the century.

At stake for Mr. Horton may be the chance to become BP's chairman someday.

From the outset, Mr. Horton has acknowledged, often wryly, that Standard's future is problematic.

"I'd like to speak to you as the newly appointed head of one of America's largest oil companies," he told a group in Cleveland last summer, "which may seem to some of you like volunteering for duty as captain for the Titanic."

But Mr. Horton does not view the job that way, and he has



Standard's new headquarters in downtown Cleveland. Inset: Robert B. Horton, a former executive at BP.

abandoned the "impossible goal" of trying to do so. Mr. Horton has said repeatedly.

Instead, his objective is to change the balance of the company's activities, spending less money on exploration, now that prices are down, and more on refining and marketing.

Mr. Horton must do all this during the most difficult period in the industry's history. Prices are expected to average only \$15 a barrel over the next three to five years.

Indeed, Thomas A. Petrie, a managing director of First Boston Corp., said in a recent report that the combination of circumstances facing Standard makes it, of all the major U.S. oil companies, "the most interesting case study in corporate strategic planning for the next several years."

Mr. Horton's strategic plans include: Cutting the 1986 capital and exploration budget to \$1.7 billion.

See STANDARD, Page 11

U.S. Reports Another Record Trade Deficit

WASHINGTON — The U.S. current-account deficit expanded by \$1.87 billion to a record \$36.28 billion in the third quarter, July through September, the Commerce Department said Tuesday.

The previous quarterly record was \$34.41 billion in the second quarter of this year.

The current account, a broad measure of trade flows, includes trade in merchandise and services, U.S. aid and other grants, foreign investments in the United States and U.S. assets abroad.

The current-account deficit was a record \$117.68 billion last year and is on course for another record this year. The deficit was \$104.73 billion over the first nine months of 1986, compared with \$84 billion during the year-earlier period.

In a separate report, the Commerce Department said that new home construction, at a seasonally adjusted annual rate, fell to a two-year low of 1,598,000 in November. That was down 1.8 percent from the revised October rate of 1,628,000.

The third consecutive monthly decline brought the rate of housing starts to 21.4 percent below a peak of 2,034,000 in January 1986.

The November rate was the slowest since October 1984, when single-family and multifamily homes together were started at an annual pace of 1,582,000.

In its July-September trade report, the Commerce Department's Bureau of Economic Analysis said that a \$2 billion expansion in the merchandise-trade deficit, to \$37.7 billion, was partially offset by a slight increase in the U.S. surplus in service trade, to \$5.6 billion.

Unilateral U.S. government transfers to other nations and multinational institutions increased by \$100 million to \$4.2 billion.

Claims on foreigners reported by U.S. banks increased \$20.5 billion and net outflows of U.S. direct investment were up \$7.7 billion, the department said.

Liabilities to foreigners and international financial institutions reported by U.S. banks increased \$32.2 billion.

Expert Predicts Lower U.S. Rates

WASHINGTON — U.S. interest rates will decline in 1987 as the Federal Reserve attempts to "nurse the economy" to growth of 2 percent in gross national product, Henry Kaufman said Tuesday. GNP measures the value of goods and services including income from abroad.

Mr. Kaufman, managing director of Salomon Brothers Inc., said consumer and investment spending would recede in the first half of 1987, which would "raise doubts about the durability of the economic expansion, dampen inflation worries and encourage moves to new lows in interest rates and the value of the U.S. dollar."

Mr. Kaufman's annual financial markets forecast said the economy and inflation would quicken in the second half, but this "will not be enough to force monetary restraint."

The increase was dominated by interbank flows, particularly among banks with branches in Japan and the Caribbean.

The housing report said the weakness was concentrated in the South, where depressed farm and energy sectors slashed demand for new homes and starts fell from an annual rate of 678,000 in October to 593,000 last month, the lowest since August 1982.

In percentage terms, housing construction fell 12.5 percent in the South in November and slipped 34.8 percent since peaking at 909,000 in January, according to analysts with the department's Census Bureau.

The estimated actual number of homes begun during the month was 116,700, down from 154,800 in October. The number is adjusted for seasonal variations and extended for 12 months to get the annual rate.

Currency Rates

Table of currency rates for various international currencies as of Dec 16.

Table of other dollar values for various international currencies.

Chicago Merc to Change Futures Settlement Data

CHICAGO — The Chicago Mercantile Exchange has announced plans to change futures settlement procedures. The move was aimed at reducing drastic swings in stock prices that have been tied to stock-index futures trading.

At a news conference Monday, exchange officials said they had applied to the Commodity Futures Trading Commission to base its Standard & Poor's 500-stock index futures and options contracts on Friday's opening prices on the New York Stock Exchange, rather than closing prices.

The officials said the move was intended to deal with stock-price volatility, which has often been extreme on the Fridays of each quarter when stock-index futures expire.

The Securities and Exchange Commission has been considering sweeping measures to deal with such volatility.

The Mercantile Exchange initially opposed changing the procedures, partly on the grounds that it

would be difficult to alter existing contracts.

But exchange officials said they abandoned that position because they now saw the need for quick action to solve the problem.

The next expiration date for stock-index futures is this Friday, and officials said they could not predict how the changes would affect those contracts.

A Mercantile Exchange special counsel, Leo Madoni, said he does not expect "any horror stories," but added, "Who knows what will happen?"

Some experts said the changes might make the situation more volatile, rather than curbing wild fluctuations.

They said changing to the morning price rather than the closing price would make the market overly responsive to news from overnight Thursday.

"It will make a much more combustible situation," said Jeffrey Miller, managing partner of Miller Tabak Hirsch & Co., a New York trading firm.

InterFirst and RepublicBank Discuss Possibility of Merger

DALLAS — Stock trading in InterFirst Corp. and RepublicBank Corp. was suspended Tuesday as the two Texas banking giants discussed the possibility of a merger.

Confirming a report Tuesday in the Dallas Morning News, InterFirst said that its board was meeting over the proposal but that no announcement was expected until the meeting was concluded. No financial details were disclosed.

The development came one day after Chemical New York Corp. said it would buy Houston-based Texas Commerce Bancshares Inc. for about \$1.19 billion in one of the largest bank mergers ever in the United States. That combination would create the fifth-largest U.S. bank holding company.

Texas banks have been financially pressed recently, with more than a dozen failing so far this year because of the state's slumping energy, real estate and agricultural sectors. InterFirst has not been exempt from these problems, with \$1.1 billion in non-performing loans and sagging financial results for the last three years.

RepublicBank is the second-largest Texas bank holding company, with \$22.6 billion in assets and 41 subsidiary banks. InterFirst, the state's third-largest bank company, has \$18.5 billion in assets and 68 subsidiary banks.

Interest Rates

Table of interest rates for various financial instruments.

Table of key money market rates.

Table of Asian dollar deposits.

Table of U.S. money market funds.

Table of gold prices.

Table of bank rates.

Table of market rates.

Markets Closed

Markets and banks in South Africa will be closed Wednesday for a holiday.

To Our Readers

Because of a strike at Agence France-Presse, World Stocks listings are incomplete. We regret the inconvenience.

Advertisement for Republic National Bank of New York featuring two keys with numbers 68423 and 50729, and the text 'There's private banking. And there's very private banking.'

Advertisement for Republic National Bank of New York featuring the text 'Here's one bank with a tradition of ensuring privacy for its clients' business. And that's Republic National Bank of New York.' and 'Very high security. Very private banking. They're the keys to our philosophy.'

Advertisement for The Carlyle Hotel, located at Madison Avenue 85 78th Street, New York 10021.

Floating-Rate Notes

Table of floating-rate notes with columns for Issuer/Note, Coupon, Maturity, Bid, Ask, and other financial details.

ECUPAR AVIS AUX ACTIONNAIRES

Convocation notice for ECUPAR shareholders, detailing the meeting date (December 24, 1986) and agenda items.

U.S. Futures

Table of U.S. futures contracts including Wheat, Corn, Soybeans, and other commodities with their respective prices and market data.

Deutsche Marks

Table of Deutsche Marks exchange rates and market data for various countries and currencies.

U.S. Futures (continued)

Continuation of U.S. futures contracts table, including additional commodity types and their market performance.

Japanese Yen

Table of Japanese Yen exchange rates and market data for various international locations.

Metals

Table of metal prices for commodities like Copper, Aluminum, and Silver, including their current market values.

Stock Indexes

Table of stock market indices for various regions, including the S&P 100 and other major indices.

INTERNATIONAL FUNDS (Quotations by Funds Listed)

Large table listing international funds with columns for fund name, currency, and other financial metrics.

Currency Options

Table of currency options for various international currencies, showing option prices and market data.

Paris Commodities

Table of commodity prices in Paris, including various agricultural and industrial goods.

London Commodities

Table of commodity prices in London, covering a range of international trade goods.

Asian Commodities

Table of commodity prices in Asian markets, including regional agricultural and industrial products.

Financial

Table of financial data including interest rates, exchange rates, and other economic indicators.

Commodity Indexes

Table of commodity index values and trends for various market sectors.

Market Guide

Table providing a market guide with information on market conditions and trading opportunities.

Dividends

Table of dividend payments for various companies, including the amount and frequency.

DM Futures Options

Table of DM futures options contracts, detailing the terms and prices of these derivatives.

World Stocks in Review

Summary of world stock market performance, highlighting key trends and regional market activity.

BUSINESS ROUNDUP

AFG Again Drops Lear Siegler Bid

SANTA MONICA, California — AFG Partners, which revived its hostile \$1.5 billion takeover bid for Lear Siegler Inc. last week, now says it is abandoning that offer because of the possible loss of tax benefits.

But the partnership, a combination of AFG Industries Inc. and Wagner & Brown, also indicated Monday that it remained interested in buying all or part of Lear Siegler on revised terms.

In a statement, the partnership said it withdrew its \$85-a-share offer for Lear Siegler in light of uncertainties raised by the secretary of the Treasury, James A. Baker 3d, about "taxation of certain corporate acquisition transactions, and other uncertainties caused by pending changes in the tax law."

The reference was to Mr. Baker's Dec. 9 letter to Senate leaders indi-

cating that tax treatment on the gains of asset sales after an acquisition may be less favorable after Jan. 1 than they are now.

Despite the withdrawal of its tender offer, the partnership said it remains interested in acquiring the company in a mutually agreeable transaction or, otherwise, in participating in the company's restructuring if the board chooses that alternative.

Lear Siegler said it was still working on its restructuring plan, including holding talks with prospective investors in a leveraged buyout. A leveraged buyout is financed by the acquired company's earnings or the sale of its assets.

It is believed that Lear Siegler's restructuring would include the sale or closure of its Piper Aircraft division; Piper has been plagued in recent years by heavy product-liability costs.

AFG Partners has indicated it was interested in acquiring Lear Siegler's glassmaking operations. AFG Industries is a glassmaker based in Irvine, California. Wagner & Brown is an oil concern based in Midland, Texas.

AFG Partners owns 4.7 percent of the stock of Santa Monica-based Lear Siegler, a manufacturing and aerospace conglomerate.

AFG Partners made its initial bid for Lear Siegler late in October, then stepped aside after Lear Siegler agreed to be acquired by a friendly suitor, Wickes Cos., for \$93 a share, or \$1.7 billion.

But the Wickes takeover collapsed because of financing problems, and AFG Partners revived its hostile offer last week.

On Friday, Lear Siegler's board voted to reinstate a "poison pill" anti-takeover measure that would give shareholders the right to purchase new stock at half price.

BUSINESS PEOPLE



Raymond Lévy

Renault Board Appoints Lévy

PARIS — Raymond Lévy, the Frenchman who is chairman of the Belgian steel group Cockerill-Sambre SA, was elected Tuesday as chairman of Renault, the French state automaker, Renault board members said.

Mr. Lévy, 59, will succeed Georges Besse, who was killed Nov. 17 in an attack claimed by the Direct Action leftist extremist group. Mr. Lévy's appointment, made at a Renault board meeting, must be confirmed by the French cabinet, which holds its weekly meeting Wednesday.

The French Ministry of Industry made known last week that it had chosen Mr. Lévy. The official announcement was held up during negotiations with the Belgian government for his release from a five-year contract with Cockerill, a state-run company.

L.F. Rothschild Subtracts Unterberg, Towbin

By Arthur Higbee
International Herald Tribune

The chairman and a vice chairman of L.F. Rothschild, Unterberg, Towbin Holdings Inc., a Wall Street investment firm, are leaving in a dispute over strategy, the firm has announced.

They are Thomas I. Unterberg, 55, chairman and chief executive, and A. Robert Towbin, 50, co-vice chairman. François Mayer, a fellow executive, said Monday that it was "an amicable parting."

L.F. Rothschild indicated that the disagreement was over the desire of other executives to expand business aggressively.

The firm also announced that Mr. Mayer, 45, and Robert Schoenthal, 44, currently co-chief operating officers, would become co-chief executives.

A relatively small firm, L.F. Rothschild has made its mark as a specialist in fixed-income securities and in underwriting initial public offerings of stock in fledgling high-technology companies.

Hoover PLC, British subsidiary of Chicago Pacific Corp., named A.E. (Tony) Williamson as managing director of Hoover U.K., directing operations in Britain and Ireland; A.V.J. (Tony) Simpson as managing director of Hoover Europe, running operations in West European countries and distribution to 100 other countries; and David S. Perkins as finance director for Hoover operations outside the Americas and Australia.

Hoover makes vacuum cleaners and washing machines. Mr. Williamson, 55, moves up from direc-

tor of British operations and Mr. Simpson, 54, from director for continental Europe. Both are British.

They replace Henry Hill, 66, an American, who has been running both divisions. He is retiring. Mr. Perkins previously was British finance director for Hoover.

Northwest Corp., a California hotel chain formerly controlled by Ivan F. Boesky, has named Robert M. Loeffler, a Los Angeles lawyer, as chairman, president and chief executive. He replaces Dante C. Fabiani, who had been named earlier this month as acting chairman and chief executive. Mr. Boesky,

the arbitrator, resigned as chairman Nov. 19 after disclosure of his \$100 million settlement with the Securities and Exchange Commission on insider-trading charges.

Mr. Loeffler, 63, is retiring as a senior partner in the Los Angeles office of Jones, Day, Revis & Pogue, a law firm based in Cleveland.

Macmillan Inc. announced that Jeremiah Kaplan, 60, would retire Jan. 1 as president and chairman of its Macmillan Publishing Co. subsidiary. William F. Reilly, the corporate president, will become president of the subsidiary as well;

Edward P. Evans, chairman of Macmillan Inc., will take on the additional duties of chairman of the subsidiary.

Macmillan officials said Mr. Kaplan's retirement was unrelated to the publishing company's recent sharp cutback of hard-cover books for the general trade. But Mr. Reilly acknowledged that while Macmillan — which includes Charles Scribner's Sons and Atheneum Publishers — would continue to publish new books, it would concentrate on its growing juvenile list and its back-list, books that sell year-in, year-out.

Sayed Resigns as Fermenta's Head

STOCKHOLM — Refaat el-Sayed, founder and president of the troubled Swedish biotechnology company Fermenta AB, has resigned, a board statement said Tuesday.

The Egyptian-born Mr. Sayed lost control of his company Monday when the investment firm Investivarden AB took over a bloc of shares he had deposited as security for a personal loan. The bloc amounted to 46 percent of the company.

Fermenta has been suspended from trading on the Stockholm Bourse for the last two days after auditors expressed doubts over projected profits.

The auditors said the earnings statement for the first eight months of 1986 and next year's profit forecast did not tell the whole picture and might have to be extensively revised.

The board offered to resign and two board members have called for a police investigation into alleged insider trading in the company.

Sweden's bank inspection board, the supervisory body for the country's stock market, said Monday it had started an investigation into whether Fermenta board members had traded on information not available to other shareholders.

"Fermenta's board has today at its extraordinary meeting accepted Refaat el-Sayed's offer to resign as president," the board statement said, adding that he would be succeeded by Sune Dahlberg.

The board added that further information would be made public at a shareholders' meeting on Dec. 30.

In the loan that came due Monday, Mr. Sayed borrowed 554 million kronor (\$80 million) to help finance a transaction earlier this year, backed by the car maker AB Volvo, to absorb several competitors and form a huge biotechnology group.

The transaction fell apart when he was found to have faked his academic qualifications. The price of the company's stock fell to half soon after the revelation in February. Shares have since dropped from above 300 kronor to 105.

Later, a bid to sell his stake in Fermenta to the Italian chemicals giant, Montedison SPA, collapsed.

Share analysts said Mr. Sayed was expected to reduce his remaining 31-percent stake in Fermenta because he has large personal debts falling due early next year.

Until recently he had been insisting that he would find a partner to help him pay off his debts and keep control of the company. He was not available for comment after Tuesday's directors meeting.

American Motors Corp. has signed a new agreement for its French partner, Renault, to distribute AMC's Jeep utility vehicles in Europe and Africa. Renault, the controlling shareholder in AMC, will also handle parts and service.

Biogen NV, a U.S. biotechnology company, said that the European Patent Office's review unit had issued an oral decision to revoke the patent for a cancer drug, Invokan A, made by the company. The drug is marketed by Schering-Plough Corp.

Enka BV, a wholly owned subsidiary of the Dutch chemical group Akzo NV, is setting up a fiber venture in Japan with Sumitomo Chemical Co.

Fruehauf Corp.'s shareholders approved the merger of LMC Acquisition Corp., a wholly owned subsidiary of Fruehauf Holdings Inc., into Fruehauf.

COMPANY NOTES

Gannett Co., the largest U.S. newspaper publisher, offered the winning bid of \$24 million for Laird International Studios in Los Angeles. Gannett said it planned to form a joint venture with Grant Tinker to produce television programs and feature films, the first major interest in film production for Gannett, which owns a number of television stations.

Imperial Chemical Industries PLC and Enterprise Oil PLC have agreed to merge ICI's oil and gas interests with Enterprise in a share transaction giving ICI a 25-percent stake in Enterprise's enlarged equity. ICI's oil and gas interests will be exchanged for 71.91 million new ordinary shares in Enterprise, worth about £115 million (\$165 million).

Japan Line, one of the world's major tanker operators, has asked a group of its creditor banks to help it stave off bankruptcy. Japan Line asked the banks to abandon hope of repayment on 20 billion yen (\$122.6 million) in loans and to temporarily shelve other loans.

J.P. Morgan & Co. said its Morgan Guaranty Trust Co. unit had sold its 25-percent interest in Icon Ltd., a merchant bank in Lagos, to Nigerian Industrial Development Bank, National Insurance Corp. of Nigeria and trustees of the Icon Staff Trust Fund.

Ponderosa Inc. would neither confirm nor deny a statement by a New York investor, Asher B. Edelman, that he expected the restructuring to announce a restructuring or recapitalization plan.

Texas Eastern Corp. and Noble Affiliates Inc. have completed an agreement for Noble's Samedan Oil Corp. subsidiary to purchase Texas Eastern's oil and gas properties for \$176 million.

STANDARD: BP's Firm Hand

(Continued from first finance page)

lion, from \$2.8 billion last year.

Studying whether Standard should increase its small involvement in the natural-gas business.

Putting up for sale several non-oil businesses, including Dorr-Oliver, which makes industrial cartridge filters, and Pfander, a maker of glass-lined steel reactor vessels.

Building cash on hand to \$1.25 billion and arranging \$2 billion in committed funds and another \$3.5 billion in uncommitted monies, in part to prepare for acquisitions.

Strengthening Standard's refining and marketing network.

Creating an in-house foreign exchange and commodity trading unit to get maximum use of Standard's money.

"He's done a good job. I don't think he's made any mistakes thus far," said Laurence E. Tween of Kidder, Peabody & Co., whose positive assessment was shared by many other oil analysts.

Dillard P. Spriggs, president of Petroleum Analysis Ltd., a New York-based consulting firm, noted that Mr. Horton quickly had Standard take a \$1.4 billion writedown in the second quarter, despite a \$1.86 billion writedown in the 1985 fourth quarter.

Those special charges will result in a net loss for the year, E. John P. Browne, Standard's chief financial officer, told analysts last week. For the first nine months of 1986, Standard lost \$376 million, or \$1.60 a share, compared with a profit of \$1.1 billion, or \$4.60 a share, for the 1985 period. Excluding the special charges, Standard showed a nine-month profit of \$1.83 a share.

Nonetheless, Mr. Spriggs said the writedowns were "the right thing to do, and done with the right timing. It got the slate clean before

SLEEP:

Shift Work Study

(Continued from first finance page)

before they go to work rather than in the morning when they get home. But, according to research by Mr. Tepas, less than 5 percent of such U.S. workers do sleep before going to work.

At a U.S. food-processing company, Dr. Moore-Ede introduced a new shift rotation. One plant accepted it; the other plant didn't. Six months later, responding to questionnaires, the workers who had made the shift change said they felt better and their sleep increased, on average, by between 30 minutes and an hour. Those at the other plant lost a half hour's sleep, on average.

Information:
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(National Hydrocarbons Authority)

7% Bonds 1988, due January 15, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on January 15, 1988, at the principal amount thereof \$6,772,000 principal amount of said Bonds, as follows:

Outstanding Bonds of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers

Ending in the Following Two Digits:

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Also Bonds of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

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On January 15, 1988, there will become due and payable upon each Bond the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices: at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Kredietbank S.A. Luxembourgise in Luxembourg-Ville.

Bonds surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due January 15, 1988, should be detached and collected in the usual manner. From and after January 15, 1987, interest shall cease to accrue on the Bonds herein designated for redemption.

ENTE NAZIONALE IDROCARBURI
By: MORGAN GUARANTY TRUST COMPANY
100 NEW YORK, Fiscal Agent

December 16, 1986

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SALE OF DOCUMENTS
The prequalification documents shall be available starting December 15th, 1986, at a price of eighteen thousand Chilean pesos (\$18,000), from the main office of Pehuenche S.A., Calle Pio X No. 2422, Santiago de Chile, 9:00 a.m. to 12:30 p.m. and 2:20 p.m. to 5:30 p.m., Monday through Friday. The documents may be requested likewise by mail from:

PEHUENCHE S.A.,
Subgerente de Estudios,
Pio X No. 2422,
Santiago - CHILE
or telex: 341510 EEPESA CK

Including payment document in the name of Pehuenche S.A. for the piece of the document and cost of subsequent freight.
Starting December 11th, 1986, the interested parties may obtain, without cost, at the place of sale of the documents, a memorandum generally describing the work and the prequalification requirements.

PRESENTATION DATE
The information requested in the prequalification documents shall be received no later than 11:30 a.m. February 13th, 1987, in Pio X No. 2422.

FINANCING
The following financing sources are envisaged for the Pehuenche Project:
a) PEHUENCHE S.A. own resources.
b) A loan which has been applied for from the Inter-American Development Bank (IDB).
c) Credits from suppliers providing the equipment required by the project.
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Note that the supplier financing shall be required on 85% of the foreign currency component, and additional credits will be acceptable. The balance, if any, to cover the 100% of the contract, shall be financed with Pehuenche S.A. own resources.

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CURRENCY MARKETS

Dollar Advances in Light Trading

NEW YORK — The dollar closed higher Tuesday in New York, but dealers said the currency market was directionless in light trading before the holidays.

The U.S. currency rose to 2.0210 Deutsche marks from 2.0165 DM at Monday's close, to 164.025 Japanese yen from 163.400, to 1.7080 Swiss francs from 1.6975 francs and to 6.5160 French francs from 6.6085 francs.

THE EUROMARKETS

New Perpetual Issue for Republic Stirs Debate

LONDON — The Eurobond market traded quietly Tuesday, ending little changed. The floating-rate note sector saw a new perpetual transaction, which featured an investor pay option after 25 years but still took many operators by surprise.

Lead manager is Merrill Lynch Capital Markets. The issue, structured to rank as primary capital, had been rumored in the market since the beginning of the day.

Merill Lynch quoted the issue at 99.30, comfortably inside the total fees of 1 percent. Merrill, however, emphasized the issue's put option and referred to the issue as a "puttable perpetual" FRN.

Table with 3 columns: Currency, Rate, and Change. Includes London Dollar Rates for Deutsche mark, Pound sterling, Swiss franc, and French franc.

Dealers said the U.S. government report that housing starts fell 1.8 percent in November after a revised 2.2-percent fall in October may have had a slight depressing effect on the dollar.

Court Session Revco Stockholders Approve Buyout

On Manville Plan Begins

NEW YORK — A federal bankruptcy court began hearings Tuesday on a reorganization plan by Manville Corp. that would create a \$2.5 billion trust fund for victims of asbestos-related diseases.

Revco, which operates more than 2,000 stores in 30 states, will merge with ANAC Merger Corp., a subsidiary of the newly formed ANAC Holding Corp.

The leveraged buyout was approved by Revco's directors in August. A leveraged buyout uses the assets of a company as collateral for extensive loans.

Earnings from the beginning of the fiscal year June 1 were \$17.1 million, or 53 cents a share, on sales of \$1.3 billion.

BofA Denounces First Interstate Bid

SAN FRANCISCO — Bank America Corp.'s chairman has accused First Interstate Bancorp of "reckless" conduct in its pursuit of the financially troubled bank holding company, the second-biggest in the United States.

First Interstate, meanwhile, filed a statement with the U.S. Securities and Exchange Commission on Monday indicating that Bank America's management had actually encouraged First Interstate to pursue merger negotiations.

Bank America would complete a strategic review by early 1987 and would consider the Los Angeles bank's bid at that time.

Advertisement for Tuesday's OTC Prices, NASDAQ prices as of 4 p.m. New York time, via The Associated Press.

Large table of OTC stock prices, columns include stock name, price, and change.

Table of stock prices, columns include stock name, price, and change.

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Table of stock prices, columns include stock name, price, and change.

Advertisement for Tuesday's AMEX Closing, tables include the nationwide prices up to the closing on Wall Street.

Table of stock prices, columns include stock name, price, and change.

SARRE IN THE EVERY MONDAY — INDEPENDENT OF THE ENGLISH LANGUAGE AND ITS PROPER USAGE

SPORTS

'Hero': A New Film With an All-Too-Familiar Focus

International Herald Tribune LONDON — What do you give an Argentine soccer fanatic for Christmas?

He already has the World Cup. He has, for what is worth, the Toyota Cup proclaiming River Plate of Buenos Aires as the best club side on earth. And in principle he has Diego Maradona, undoubtedly the world's most gifted player.

But Maradona homecomings tend to be infrequent, and then only to wave the flag from the presidential balcony at the Casa Rosada.

If he is going anywhere after this season in Naples it will be, according to the latest speculation, to Rio de Janeiro for the equipment of an \$11 million fee, plus an \$11,360 basic weekly salary, plus bonuses that would wipe out Argentina's club finances in one move.

Yet come Christmas morning, Argentines will be able to take a privileged cinema seat to view, ahead of the rest of mankind, "Hero," the official film of the 1986 World Cup.

"Hero" is Maradona in celluloid. Through some quite breathtaking sequences the Argies will find an art of Maradona's finest hours.

They will see the other candidates (Platini and Rummenigge, Francheschi, Lincker and Burchagueno, Sanchez and Socrates) blown away like seeds in the wind until Maradona stands alone — the star, the hero.

Small wonder Argentine theaters will open up on Christmas Day. The irony of an almost eponymous tribute to Maradona, shot in Mexico but out in England, will not be lost.

Film cameras extract drama and emotion the wretched Mexican television presentation denied to his fans. Nothing moves with more pleasing genius than Maradona. You're drawn in, almost physically, to his second goal against England. It's as if it were you lunging — desperately and late, always a tick late.

Several times, you're sure that the path to goal is closed. But you see from half a dozen angles how nothing could stop him. You experience the astonishing pace, you sense the rush of muscle, the gasps of astonishment as one, two, three, four defenders miss both man and ball.

And you see, ultimately, how close Maradona thinks he is to his goal — how he, in heartfelt triumphs and disasters during a game of soccer, cups his hands to the heavens.

Other heroes are merely passing through. Spanish Emilio Butragueño, a goalscorer of near-angelic compass against Denmark, is reduced to a blank, breathless, forlorn soul by Belgium.

Michel Platini, the European prince, disappears under pressure as thick as his unshaven stubble, as burdened as the stars in his eyes.

Speaking of eyes, the film captures the depths of what is supposedly sport by lingering on Enzo Francescoli. The Uruguayan, a sensitive man, an immensely rich but

so far failed import in Paris, is seen to be elbowed, hacked and pushed by the supposedly delightful Danes.

With every harsh bodily contact, every bruise (and six Danish goals) the lenses focus on Francescoli's dark, hammered, ultimately hollowed eye sockets. Another fallen hero.

Needless, sometimes obtrusively, a heavy Rick Wakeman musical score seeks to drive in the passions and brutalities. Without a word from any performer — the better for the film misses opportunities to inform.

Too briefly, at the beginning, the horrendous devastation and deprivation of Mexico City is seen. We do not get the debilitating effects of high altitude and heat, nor the inhumanity of thousands lining streets around stadiums often half-empty because, at profits of \$42 million,

FIFA cared little about soccer-loving people being priced out.

The direction of Tony Maylam is true to his instincts. Maylam is a superb, an utterly genuine, dedicated filmmaker and worshipper of

sporting movement. His strength as a director is to select a simple populist theme, to stick with it and not to allow the edges to become blurred by wider considerations.

Heroes, they truly are to him. So when Michael Caine narrates the script, the emphasis is singularly on heroism. Seldom is it equal to the acute observation on Branco, the Brazilian maximizing a fall in the French penalty box: "Branco searches for the pain in his leg, while looking at the referee." Caine purrs in his laconic, deadpan style.

"The performance was worth the wait... Penalty."

The dreaded penalty shootout between France and Brazil is milked for every human failing, every miss reducing Socrates and Platini to figures less than a Maradona.

I wonder what they will make of "Hero" in Africa, where nothing will be seen of the astounding success of Morocco. I wonder whether Asians will feel cheated because superb goals from Choi Soon-Ho and Park Chang-sun are not in the official film.

The closest South Koreans get are fouls on you-know-who: Maradona, Maradona, Maradona. All the cameras at Maylam's disposal somehow fail to prove beyond doubt how Maradona, the cheat, hand-balled his first goal against England. That act, awkwardly getting in the way of the

theme, to my mind renders Maradona unworthy of the eulogy the film affords him as a player above soccer, a sportsman to lift his nation.

Hero, or flawed hero? Maradona, thankfully, is not asked to explain the tainted goal (about which he recently commented in the less hero-worshipping print media: "Should I have refused to accept the goal? Next you will be saying I should ask a defender's permission while I dribble around him.")

Better that we remember him on film, a child of '25, caught in the Argentine dressing room celebrating the final victory. Stripped to his shorts, at first bemused, he suddenly reacts to patriotic spirit of songs by his teammates. Every muscle in his body dances up and down, every decibel from his throat is heard. The hero is center-stage to the end.



Another candidate about to fall: Enzo Francescoli, under pressure from Denmark's Ivan Nielsen.

Italy's Edalini Ends Two Droughts

MADONNA DI CAMPIGLIO, Italy — Franco Edalini won his first World Cup slalom race here Tuesday, breaking a streak of nearly eight years in which Italy had gone without a victory in the specialty.

The 25-year-old Edalini, his parents watching from the finish area, mastered a course that knocked out

Cup champion Marc Girardelli, and world titans Jonas Nilsson of Sweden and Weston German Markus Wasmeier (giant slalom).

Stemmark leads the slalom standings with 45 points, but he had his troubles with the rough course. "On top it was flat, but there were rocks," said the 30-year-old. "The bottom was very icy and difficult. By the time I finished, my ski edges were really cut up."

Defending cup slalom champion Rok Petrovic of Yugoslavia displayed his rained skis. "This is

what the rocks did to them," he said. "They can't be repaired."

Surgery for Johnson Olympic downhill ski champion Bill Johnson underwent surgery late Monday to repair torn knee ligaments and will miss the rest of the 1986-87 World Cup season.

The United Press International reported from Park City, Utah. Johnson fell, damaging his left knee and tearing loose a bone in his right shoulder, during a fall in Friday's final training run for a World Cup downhill in Val Gardena, Italy.

Bears Rally to Nip Lions

PONTIAC, Michigan — Kevin Butler kicked a 22-yard field goal with four seconds left Monday night to help the Chicago Bears complete a 13-point fourth quarter and score a 16-13 National Football League victory over the Detroit Lions.

The Bears drove 50 yards in 11 plays for the winning score. Butler's second field goal of the period and third of the game.

The victory improved Chicago's record to 13-2; it still can get the home-field advantage for the National Conference playoffs, but only if the New York Giants, also 13-2, lose to Green Bay on Saturday.

If the same finish with identical records (Chicago against Dallas on Sunday), New York would hold a possible divisional-championship showdown with the Bears because it has a better record against conference opponents.

Trailing 13-3 entering the fourth quarter, Chicago drew within 13-6

at 2:34 of the period on Butler's 32-yarder. The Bears tied the game with 5:49 left when fullback Matt Suhey scored from four yards out.

Doug Flutie, seeing his first extended action in the NFL, opened the 74-yard touchdown drive with a 25-yard pass to tight end Emery Moorehead. He then handed off for six straight plays, one of them an 18-yard run by Walter Payton. Chicago stopped Detroit in four downs to get back the ball with about three minutes left to set up the winning drive.

Flutie, who came in when starter Mike Tomczak was injured, completed 13 of 14 passes for 130 yards and one interception. Payton gained 61 yards in the second half, most of it in the fourth quarter.

Detroit quarterback Chuck Long, making his first NFL start, was 12 of 23 for 167 yards and was sacked six times for 63 yards in losses. Long hit Leonard Thompson on a scoring pass and was intercepted once.

Other heroes are merely passing through. Spanish Emilio Butragueño, a goalscorer of near-angelic compass against Denmark, is reduced to a blank, breathless, forlorn soul by Belgium.

Michel Platini, the European prince, disappears under pressure as thick as his unshaven stubble, as burdened as the stars in his eyes.

Speaking of eyes, the film captures the depths of what is supposedly sport by lingering on Enzo Francescoli. The Uruguayan, a sensitive man, an immensely rich but

SCOREBOARD

Basketball

Table with columns for National Basketball Association Leaders, Team Offense, and Team Defense. Lists teams like Portland, Dallas, Denver, etc., with their respective stats.

College Top-20 Ratings

Table listing the top 20 teams in the Associated Press college basketball poll, including Duke, North Carolina, and others.

U.S. College Results

Table showing results of college basketball games across various conferences like EAST, SOUTH, and MIDDLEWEST.

Hockey

Table for NHL Leaders showing scoring statistics for players like Gretzky, Lemieux, and others.

Football

Table for NFL Standings showing win-loss records for teams in the American and National Conferences.

Transition

Table listing various sports events and transitions, including basketball, soccer, and volleyball.

World Cup Skiing

Table for Men's Slalom showing results for skiers like Ivano Edalini, Ingemar Stenmark, and others.

NHL Standings

Table for NHL Standings showing win-loss records for teams in the Patrick and Adams Divisions.

NHL Leaders

Table for NHL Leaders showing scoring statistics for players like Gretzky, Lemieux, and others.

GOAL TENDING

Table for Goal Tending showing statistics for goalkeepers like Reisch, Havelst, and others.

2 Old Foes to Clash in Cup Challenger Semifinals

Compiled by Our Staff From Dispatches

FREMANTLE, Australia — The Indian Ocean, old as it is, has never seen a storm like the one coming.

When round-robin trials to pick an America's Cup challenger ended Monday, Dennis Conner's Stars & Stripes and Tom Blackaller's USA were second and third, respectively.

That means in two weeks they square off in an all-U.S. best-of-seven showdown to pick a challenger to the 26-year-old New Zealand and fourth-place French Kiss race for the old Cup.

Conner and Blackaller aren't

merely rivals, and they won't play nicely.

It was Blackaller who took a core sample of Conner's hide after the 1983 competition at Newport, Rhode Island, blaming his favorite foil for blowing the cup to Australia because he failed to join other Americans in a cooperative effort.

"We're very happy to meet Stars & Stripes and big Dennis," said a grinning Blackaller at a skipper's press conference Monday night. "We've been racing them a long time. They kicked us around [in the cup trials] in '83. We want revenge. We've got the machine. It's going to be a real grudge match."

Conner's tactician, Tom Whidden, turned to Blackaller said with a straight face: "I thought it would be just nothing but friendly."

"Actually," he continued, "the results came out exactly the way we would have liked it."

Whidden could easily have been looking beyond the confrontation with Blackaller.

In the Conner scheme of things, New Zealand would blow French Kiss out to sea in the other semifinal (the Kiwis, remember, have that mysteriously fast fiberglass boat that Conner managed to beat — once — but has become a fly in his personal ointment).

Finally would come the Australians, ideally not the Kookaburras currently in command in the defender trials but Alan Bond's boys on Australia IV. Bond's secret winged keel turned Conner's mind to distraction in '83, and he hasn't let the world forget it.

Blackaller, 46, and Conner, 43, have been at each other for decades, both coming out of the ranks as California Star Class sailors.

Blackaller, a handsome former football player with a lionine mop of silvery hair, drives race cars when he isn't on the water and sails

the way he lives — aggressively and by the seat of his pants.

Conner is a Machiavellian manipulator who uses no step unless he has planned the next three. His autobiography is called "No Excuse to Lose."

They couldn't be less alike, and when they compete they're as subtle as alley cats. Their three races here have been decided by seconds. Blackaller winning the last two. When they meet off the water it's usually in a protest room, almost always on opposite sides.

New Zealand skipper Chris Dickson said Monday night that his boat will undergo only minor changes to gear up for the semifinal. But his opponent, Marc Pajot, said he'll try some major under-water fixes. "French Kiss is not fast enough to beat New Zealand," said Pajot. "So we will try to modify for better speed and to be a good competitor."

Harold Cudmore, the Irish skipper of sixth-place White Crusader, politely dismissed the matchup with a nod to Pajot. "The first against fourth — and I'm sorry, Marc — will probably be strong for the Kiwis," Cudmore said.

"The other one's a quite fascinating match," he continued, "because Stars & Stripes has a tremendous resource of knowledge, and they're working the boat up very carefully and would probably be favored."

"But the thing about Tom's program is that the boat has on a couple of occasions showed a speed potential that is faster than any of the other three. If he can capture that speed potential and become the challenger, he'll have a walk-over for the cup. It will be absolutely no problem."

Blackaller was still figuring out how to steer his odd 12-meter with the torpedo keel and rudders at both ends when he lost a first-



Tom Blackaller

round race to Conner by a scant six seconds — a boat length — in 8 knots of wind. Conner had to hold cross Blackaller on port tack near the finish line to get there first.

Blackaller won the second race by 39 seconds in fluky 5- to 10-knot air, then won the third by 42 seconds in Conner's kind of conditions, 15 to 24 knots, leading from start to finish.

Blackaller is still trying to fathom the physics of sailing with rudders fore and aft, but lately he's been on a roll. On Monday night he seemed weary, but no doubt he'll have the bit back in his teeth two weeks hence. (B/P, LAT)

INTERNATIONAL CLASSIFIED

Large classified advertisement section containing various listings for employment, autos, holidays, travel, and real estate. Includes sub-sections like 'EMPLOYMENT', 'AUTOS TAX FREE', 'HOLIDAYS & TRAVEL', 'PORTUGAL', 'FROM MILAN TO', 'AUTOSHIPPING', 'ACCESS VOYAGES', 'SHIPSIDE', 'EMERGENCY AVAILABLE', 'GENERAL POSITIONS AVAILABLE', 'RESTAURANT MANAGER NEEDED', 'POSITIONS WANTED', and 'TRANS CO'.

OBSERVER

Declining to Answer

By Russell Baker
NEW YORK — The committee was so understanding, so sympathetic. Some members were obsequious. How delightful to watch them, aware of the cameras, playing the anguished truth-seekers pained by having to do their cruel duty.

tor Joseph R. McCarthy and a former congressman, former senator, then vice president, Richard Nixon.
The interrogator's purpose, of course, was to make Witt come down to Washington and decline to answer a mass of questions. McCarthy by this time had established the phrase "Fifth Amendment Communist" in public discourse. Its meaning was clear: Only rats "took the Fifth."

Beth Henley: Tragedy and the Comic

By Megan Rosenfeld
Washington Post Service

WASHINGTON — The hotel chandelier casts a grain, gray light over Beth Henley. She sits limply onto the couch, a slim figure in a \$5 thrift-shop dress, frowning the effects of a too-late night before, a dozen Coca-Colas downed through the day in an ineffectual effort to revive, and more talking than she cares to do.



"I felt sorry for rocks and bottles that weren't pretty."

But she is riding, somewhat uncomfortably, the crest of a wave. The film of "Crimes of the Heart," starring Jessica Lange, Diane Keaton and Sissy Spacek, has just opened. "Crimes of the Heart" is a comedy, however strident, have at least one foot in the mainstream. Lenny McGrath in "Crimes of the Heart" can be compared to Laura in "The Glass Menagerie" — both eternal wallflowers, mired in shyness caused in part by physical handicaps imagined to be greater than they are (Laura has a limp, Lenny "deformed ovaries").

views With Contemporary Women Playwrights," a soon-to-be-published collection by Kathleen Betts and Rachel Koenig. "Then they come out funny. The way my family dealt with handicaps was to see the humor or the ironic point of view in the midst of tragedy. And that's just how my mind works. I don't think the plays are hilarious, though I'm glad they're not sadder because that would be real boring."

At times her predilection for the grotesque overwhelms the more subtle emotional themes. One example from "Crimes of the Heart" is Babe's response when asked why she has tried to shoot her husband. "I didn't like his looks," she says. The line is so often cited that deeper reasons — her husband's physical brutality and her unbearable loneliness in his overpowering family — seem like self-conscious afterthoughts.

PEOPLE

Horowitz Surprise Guest At Carnegie Hall Gala

"Nineteenth-century elegance with 21st-century plumbing," the violinist Isaac Stern said as Carnegie Hall, venerable at 95 years of age but brilliantly rejuvenated over the last seven months, reopened Monday night. The gala program, which included Zoltan Kodaly, Frank Sinatra, the New York Philharmonic and a surprise appearance by Vladimir Horowitz, featured the climax to a hectic yet meticulous seven-month, \$50 million reconstruction project. Stern, its moving spirit and Carnegie Hall president, felt properly expansive. "What we have achieved with all this work — from planners, architects, builders, workmen, the board and fund-raisers — is to make certain that one of the most cherished places on earth for making music will go on to be healthy and strong for generations to come," he said.

Police raced to a concert hall in Swansea, Wales, on Tuesday after worried callers reported a possible guerrilla attack. But the explosives turned out to be imitation cammy fire at a rehearsal of Tchaikovsky's 1812 Overture. Griff Harries, the Welsh Philharmonic Orchestra administrator, sent staff to reassure residents about the fire, magnified by firecrackers planted in the garages east of Swansea's Brangwyn Hall. "We saw flashes through the windows of the Brangwyn and thought it was a bomb because there have been scares there before," said a resident, Brenda Rees.

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